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Agenda

****SPECIAL JOINT MEETING****
of the
Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

May 12, 2005

►► 8:00 a.m. ◀◀

James R. Mills Building
Board Meeting Room, 10th Floor
1255 Imperial Avenue, San Diego

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FINANCE WORKSHOP - 8:00 A.M.

ACTION
RECOMMENDED

1. Roll Call

2. a. MTS: FY 2006 Budget Development

Receive

Action would receive the combined MTS FY 2006 operating budget report (Attachments A-N) and approve the following budgetary assumption for fiscal year 2006: bus rapid transit funds will be utilized to balance the fiscal year 2006 budget.

b. Public Comments



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

3. a. Roll Call

- CONSENT ITEMS - RECOMMENDED BY THE CHIEF EXECUTIVE OFFICER (indicated by *)

- NOTICED PUBLIC HEARINGS

- NOTE: A FIVE-MINUTE RECESS WILL BE TAKEN AT APPROXIMATELY 10:30 A.M.**

DISCUSSION ITEMS

- | | | |
|-----|--|-----------------|
| 30. | <u>MTS: Interstate 15 Bus Rapid Transit Operations</u>
Action would adopt Resolution No. 05-03 reaffirming its interest in and authority to provide service for the Interstate 15 Bus Rapid Transit Project. | Approve |
| 31. | <u>MTS: Amendment To MTS Administrative Code Granting the CEO Authority to Change Benefits and Create a Unified Human Resources Policy Manual for the Employees of the Metropolitan Transit System, San Diego Transit Corporation, and San Diego Trolley, Inc.</u>
Action would approve an amendment to the MTS Administrative Code, authorize the CEO to modify and unify benefits levels for all three agencies, and create a unified Human Resources Policy Manual, as recommended by the Executive Committee. | Approve |
| 60. | <u>Chairman's Report</u> | Possible Action |
| 61. | <u>Chief Executive Officer's Report</u> | Information |
| 62. | <u>Board Member Communications</u> | |
| 63. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | Possible Action |
| 64. | <u>Next Meeting Date:</u> May 26, 2005 | |
| 65. | <u>Adjournment</u> | |

JGarde

AGENDAS EC 5-5-05 BD 5-12-05

5/6/2005

METROPOLITAN TRANSIT DEVELOPMENT BOARD
FINANCE WORKSHOP

ROLL CALL

MEETING OF (DATE): 5/12/05

CALL TO ORDER (TIME): 8:18 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 9:12 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	8:24 a.m.	
CLABBY	<input checked="" type="checkbox"/> (J Jones) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Jantz) <input type="checkbox"/>		
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
LEWIS, Mark	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MAIENSCHIN	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
MORRISON	<input type="checkbox"/> (Zarate) <input checked="" type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	8:20 a.m.	
ROSE	<input type="checkbox"/> (Janney) <input type="checkbox"/>		<input checked="" type="checkbox"/>
RYAN	<input type="checkbox"/> (B Jones) <input checked="" type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
YOUNG	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
ZUCCHET	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Guil Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Diffey Warrington

NOT TURNED IN TO ACCOUNTING FOR THE PAYMENT OF FEES. ONLY THE ROLL CALL FOR THE FULL BOARD MEETING ON THIS DATE WAS TURNED IN FOR PAYMENT OF FEES.

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 05/12/05

CALL TO ORDER (TIME): 9:03 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 9:59 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
CLABBY	<input checked="" type="checkbox"/> (Greer) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Jantz) <input type="checkbox"/>		
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
LEWIS, Mark	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:08 a.m. during Employee Awards	
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
MORRISON	<input type="checkbox"/> (Zarate) <input checked="" type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
ROSE	<input type="checkbox"/> (Janney) <input type="checkbox"/>		<input checked="" type="checkbox"/>
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM,
SAN DIEGO TRANSIT CORPORATION,
AND SAN DIEGO TROLLEY, INC.

April 28, 2005

BOARD OF DIRECTORS MEETING ROOM, 10TH FLOOR
1255 IMPERIAL AVENUE, SAN DIEGO

MINUTES

1. Roll Call

Chairman Williams called the meeting to order at 9:15 a.m. A roll call sheet listing Board member attendance is attached.

3. Public Comment

Peter Warner: Mr. Warner requested that staff review connections between Route Nos. 11 and 115 at SDSU. He stated that, since the recent interlining, there is one Route 11 trip that arrives too late to connect with the Route 115. Mr. Jablonski, MTS Chief Executive Officer (CEO), requested that Conan Cheung, MTS Director of Planning and Performance Monitoring, and Claire Spielberg, Chief Operating Officer - Bus, look into this matter.

4. Presentation of Employee Awards

San Diego Trolley, Inc. employees were presented with service awards as follows: For 15 years of service: Larry Ayers, Scott Donnell, Ricardo Miramontes, and Blanca Myers. Employees who are also receiving awards but were unable to attend the meeting are as follows: For 15 years of service: Mario Fulgencio, Kurt Kodrich, and Greg Stallings. For 5 years of service: Evelyn Acevedo.

5. Closed Session Items (ADM 122)

There were no Closed Session Items.

45. MTS: February Monthly Performance Indicators (Taken Out of Order)
(OPS 920.1, 960.5, 970.5, PC 30101, 102, 103)

Ms. Anika deSilva, MTS Associate Transportation Planner, reviewed February 2005 monthly performance indicators. She reviewed the system's operating environment, system ridership, on-time performance, mean distance between failures for both bus and rail, customer complaints, and collision accidents.

Action Taken

Mr. Emery moved to receive this report for information. Mr. Rindone seconded the motion, and the vote was 8 to 0 in favor.

2. Approval of Minutes (Taken Out of Order)

Mr. Clabby moved to approve the minutes of the April 14, 2005, Board of Directors meeting. Emery seconded the motion, and the vote was 8 to 0 in favor.

CONSENT ITEMS

6. SDTC: Janitorial Service – Contract Award (OPS 960.6, PC 30101)

Recommend that the Board of Directors authorize the MTS Bus Chief Operating Officer to execute a five-year contract (SDTC Doc. No. B04-006A) in an amount not to exceed \$386,220.00 with Golden Pacific Maintenance for janitorial services for the Imperial Avenue and Kearny Mesa Divisions.

7. SDTC: Sole Source Contract Award to ARC of San Diego for Interior Deep Cleaning of SDTC Buses (OPS 960.6, PC 30101)

Recommend that the Board of Directors authorize the MTS Bus Chief Operating Officer to execute a one-year sole source contract with ART of San Diego (ARC) for deep cleaning of the interiors of SDTC buses, for an amount not to exceed \$90,871.

8. SDTI: Mission Valley East Equipment Procurement – Contract Award (OPS 960.6, PC 10426.11)

Recommend that the Board of Directors authorize the SDTI General Manager to execute a Standard Procurement Agreement (Attachment A of the agenda item) with City Chevrolet to supply seven nonrevenue vehicles for a total cost, including delivery, license, and tax, not to exceed \$197,947.18.

Mr. Lewis requested that items 6 and 7 be pulled. Discussion was as follows:

Agenda Item No. 6: Mr. Lewis expressed concern over the use of the words “unskilled labor.” Ms. Lorenzen, MTS General Counsel, stated that the form on which these words appear is provided by the State of California, and that wording cannot be changed.

Agenda Item No. 7: Mr. Lewis expressed support for MTS’s agreement to compensate ARC employees (consumers) each month for union dues and suggested that MTS consider making similar arrangement with others. He also expressed concern over the safety of ARC employees, who may be exposed to hazardous materials while performing their work. Ms. Spielberg explained that ARC’s Safety Coordinator has met with SDTC’s Safety Manager to review the Material Safety Data Sheets for each of the cleaning products they will be using. She stated that they will be using ordinary detergents and will not be exposed to hazardous materials. Mr. Jablonski pointed out that ARC will have one of their supervisors overseeing their work at all times. In response to Mr. Lewis’s question regarding MTS’s liability, Ms. Lorenzen reported that ARC is treated as an independent contractor and is covered under its own

insurance. She stated that MTS's liability is low. Mr. Lewis asked that staff report back on the issue of providing compensation that can be used for paying union dues. Mr. Young commended staff for utilizing this program and briefly discussed the benefits of contracting with these types of organizations.

Agenda Item No. 8: Ms. Lorenzen reported a typographical error on the Standard Procurement Agreement attached to this agenda item. She reported that the correct name of the vendor is City Chevrolet Volkswagen and the correct form of business is Chapter F Corporation.

Recommended Consent Items

Mr. Rindone moved to approve Consent Agenda Item Nos. 6, 7, and 8 with the correction to item number 8 as identified by Ms. Lorenzen and direct staff to report back to Mr. Lewis with copies for all Board members regarding the payment of union dues. Mr. Lewis seconded the motion, and the vote was 9 to 0 in favor.

NOTICED PUBLIC HEARINGS

25. MTS: Public Hearing on Budget-Related Service Efficiencies (ADM 121.10, PC 20484)

Chairman Williams opened the public hearing.

Mr. Cheung reviewed the budget-related service efficiencies being recommended for implementation in July and September 2005 as well as the guidelines and processes that were used to identify these efficiencies. He also referred to the list of service efficiencies that are being deferred to Phase II. He reminded the Board that all actions being taken in connection with this review of service, which is part of the Comprehensive Operational Analysis (COA), follow the guidelines of MTS Policy No. 42, *New and Existing Service Evaluation*. He stated that the recommended efficiencies are projected to yield a subsidy savings of \$3,583,869 and impact an average of 7 passengers per revenue hour calculated at an average subsidy per passenger of \$7.15. He stated that this is a very conservative estimate. He then referred Board members to a detailed list of comments received from the public related to these recommendations. He reported that 94 comments had been received on service efficiencies as of April 27, 2005.

Mr. Jablonski reminded the Board that MTS used \$15 million in nonrecurring revenues (\$8 million of which was taken from reserves) in FY 2005. He added that the FY 2006 budget reflects a \$5 million deficit when expenses are compared to recurring revenues. He pointed out that some of the recommended service efficiencies will not be implemented until after the first quarter of the new fiscal year and, therefore, a full year of subsidy savings will not be realized. He estimated that the cost savings from service efficiencies for FY 2006 will be \$3 million. He added that this savings plus \$2 million in nonrecurring revenues from the Bus Rapid Transit (BRT) project will be used to address MTS's \$5 million deficit. In response to a question from Mr. Ewin, Mr. Cheung reported that the cost for running one bus for a full year is approximately \$250,000.

Public Comment

D. Bradley Crow: Mr. Crow objected to the proposed elimination of the deviation on Routes 963/964. Mr. Crow stated the seniors and disabled riders depend on this deviation, which was originally added to Routes 963/964 as a substitute for DART service, which was

discontinued. He requested that this service efficiency either not be approved or be put on hold until a citizens' committee can review the change and make recommendations.

Raymond Junker: Mr. Junker requested that the Route 830, which was timed to connect with the Route 844A, go back to its former schedule so it can effectively connect with Route 844, or that this change be placed on hold until it is determined if Jobs Access Reverse Commute (JARC) funding will be available to fund the Route 844A. He also requested bike-rack service for the Route 830.

Thomas E. McGee: Mr. McGee objected to the discontinuation of Route 927 between the Fenton Trolley Station and Stonecrest. He stated that there are many senior citizens that use this Route, and the only other option would be to walk one mile to catch the Route 928 or walk up and down Stadium Hill. He stated that ridership would increase on Route 927 if the Fenton Parkway terminal were moved one block closer to the trolley.

Ricky German: Mr. German objected to the discontinuation of Route 927. He stated that it takes people in wheelchairs 45 to 60 minutes to go up and down the hill.

Enid Wright: Ms. Wright objected to the discontinuation of the Mission Hills segment of Route 3 (UCSD Medical Center to Mission Hills). She stated that 40 years ago riders had 20-minute frequencies on the Mission Hills segment of Route 3. She stated that there are many people who use this service to go to doctor and dentist appointments as well as to buy groceries. She stated that she uses this route to pick up her grandchild from school and to go to the zoo, Sea World, and the museums at Balboa Park. She stated that there are many young woman who ride this service between 8-9 a.m. and 1-2 p.m.

Dorothy M. Chaffin: Ms. Chaffin also objected to the discontinuation of the Mission Hills segment of Route 3. She stated that there would be more riders if buses were on time. She stated that it now takes her 1½ hours to go from her home to Home Depot on the Route 34.

Jim W. Hawkins: Mr. Hawkins objected to changes being made to rural service. He stated that he utilizes this service on a doctor's advice to reduce stress, and added that this is a lifeline service. He suggested that this area be added to MTS's paratransit service area. He also suggested adding a 30-minute spur to rural service on the days it goes to Ranchita.

Terry Shewmaker: Ms. Shewmaker objected to the new downtown layover, which would move route terminals for a number of routes from Harbor Drive to Broadway/State Street. She stated that this would be inconvenient for her and others who work at the County Administration Building. She stated that the current terminals on Harbor are roomy and have nice facilities for operators. She stated that effective public transit is about choices and flexibility and urged the Board to look again at the proposed downtown layover.

Venus Brile: Mr. Brile objected to the proposed changes to Route Nos. 832C and 832M. He stated that there are a lot of people in an apartment complex served by these routes who are disabled.

Sue Hutton: Ms. Hutton also objected to the proposed changes to Route No. 832C and 832M and referenced the apartment complex mentioned by Mr. Brile. She stated that they use these routes to grocery shop and go to doctor appointments. She stated that she turned in a petition with 200 signatures opposing the recommended changes to these routes.

Dorothy Chapin: Ms. Chapin objected to the elimination of the Mission Hills segment of Route 3. She stated that she uses this service to go to work. She stated that the distance she would have to walk to get to the nearest bus stop would be too far. Ms. Chapin stated that she is 70+ years old.

Ray Lethbridge: Mr. Lethbridge objected to the elimination of Route 875. He stated that the Route 875 currently serves a senior assistance center. He added that Route 875 would have more passengers if it were two-way service. He stated that the service that staff is proposing be used by riders who now ride Route 875 is unreliable. He also objected to the changes being proposed for rural service. He stated that he works at the Railroad Museum in Campo.

Peter Anderson: Mr. Anderson stated that he represents the Associated Students of Grossmont College, and they object to the proposed service reduction in frequency on the Route 854. He briefly discussed how class start and end times coincide with service frequencies, and then reported that Grossmont College's current parking problem will be exacerbated by construction of a parking structure on one of their existing parking lots. He stated that Grossmont will lose 900 to 1,000 parking spaces for a span of 18 months while this construction is underway, and students will need to have bus service as an alternative to driving.

Tammy: Tammy objected to the discontinuation of Route 874. She stated that this route is very convenient for the many senior and disabled riders that use it. She stated that there is only one other bus that goes down 2nd to Jamacha and back to Washington. Mr. Cheung stated that this route has been dropped from the package and is not part of the public hearing.

Lorraine Leighton: Ms. Leighton objected to the proposed changes to Route Nos. 832C and 832M. She suggested that Routes 831 and 834 be combined. She also pointed out that there was conflicting information on the average subsidy for the Route 832. She stated that she counted 99 passengers at 11:30 a.m. and 125 passengers at 2:30 p.m. on this route.

Rosalyn Ondler: Ms. Ondler called the Board's attention to a letter she brought to the meeting from Board member Brian Jones, who could not be at the meeting. The letter requested that the Board consider the level and extent of the proposed cuts to Santee's transit service, which account for approximately 14 percent of the total savings from service efficiencies.

Polly Cone: Ms. Cone objected to the discontinuation of the Mission Hills segment of Route 3. She requested that the Board limit but not discontinue this service. She added that the closest access to transit is a significant distance away. She stated that, while the average ridership for this route may be 3 passengers per hour, many times there are 12 to 20 riders on this bus at a given time. She stated that Mission Hills is the perfect neighborhood for encouraging people to use transit to get downtown.

Peter Warner: Mr. Warner made the following suggestions: Truncate the Route 1 terminal to Hawthorne rather than Evans so that passengers on the boulevard who have medical appointments at Sharp Healthcare do not have to transfer to Routes 3 or 25, which may have schedule reliability issues. Retain Route 927 to Fenton parkway at least every other hour so passengers on Stadium Hill have sustainable service as it is a fairly long distance

from the top of the hill to Qualcomm stadium where riders can catch the Route 13. Turn Route 27 at least at Sea World to retain the segment on Mission Boulevard and West Mission Bay Drive, which is the more productive portion of the segment going to Fashion Valley. This would also help the Route 34 by eliminating local short rides between Mission Beach and Pacific Beach, which tend to slow down buses on that route. Route 3 also goes out to Presidio Park, which is basically three blocks away from where its north terminal is at Hickory and Arista. At least retain the Arista trips but drop the Stevens and Lewis trips back to Dove Drive and Washington, where there is a better place to turn around without a visibility issue. Route 20 should terminate in front of the Sante Fe Depot instead of at the court house because many people use the bus to access the Coaster and Amtrak.

Laura Estremera: Ms. Estremera stated that she represents the Poway Unified School District–Job Development Program and expressed objections to the discontinuation of Route 844A. She stated that many of their students use the 844A, which serves the South Poway Business Park, and paratransit is not an option for them. She stated that her program is expanding, and employers in the business park want to hire people from her program. She suggested expanding Routes 830/844 in the middle of the day and adding loops on a 60- to 90-minute frequency to serve the business park.

Nicholas W. Reed: Mr. Reed asked a question about Route 34 service to UCSD/Scripps Hospital. Mr. Cheung confirmed that Route 30 would replace the service currently provided by Route 34. Mr. Reed stated that all buses at State Street and Pacific Highway (Routes 7, 15, 20) should terminate in front of Great American Plaza or Sante Fe Depot. Mr. Reed expressed general support of the COA.

Sharlene Ornelas: Ms. Ornelas objected to most of the changes. She specifically referred to Route 27 and stated that there are seniors who live between Fashion Valley and Morena Trolley Stations, and those individuals will be without transportation if the Route 27 changes are approved. Ms. Ornelas also briefly discussed how increased wheelchair boardings would have a negative impact on running times and may require the addition of buses to certain routes. She also pointed out the following: That the service efficiencies will reduce the number of feeder services to MTS's new Green Line. Discretionary riders will not choose transit until they can reach their destinations in a timely fashion. Sixty-minute frequencies are not convenient. Many of the riders speaking today would qualify for paratransit at \$20 to \$25 subsidy per passenger.

Jenny Sevik: Ms. Sevik objected to the discontinuation of Route 831 at the same time as reducing service on Route 834 to 60-minute frequency. She suggested that service on both routes be reduced to 60-minute frequencies thereby providing service every half hour to the school. She stated that this service is essential to the West Hills High School students during peak hours. She stated that it currently takes her daughter 90 minutes each way to get between home and school. She also stated that the service to and from the school is not reliable.

Christine Saulsbury: Ms. Saulsbury objected to the service efficiencies proposed for the Route 854. She stated that the Board should consider the impact of these service efficiencies from an ecological standpoint. She added that 1 bus eliminates the need for 15 vehicles, which are the number one polluter in California. She also stated that Grossmont College students will have greater need for transit when the college begins to build its new parking structure.

Bernard Arroyo: Mr. Arroyo, the Transportation Coordinator for the San Diego Regional Center, objected to proposed service efficiencies for Route 844A and 874. He stated that the Regional Center serves people with developmental disabilities (about 15,000 people). He stated that the Center spends about \$200,000 annually for mobility training. He stated that their clients use transit to get to their work and vocational training programs. He stated that cutting Route 848A will eliminate their access to jobs in the business park in Poway. He also referred to Route 874, which provides access to a vocational training center located in El Cajon, which serves about 250 people each day. He stated that this facility is expanding and will be serving 300 to 400 people who will go there for vocational training on a daily basis. Mr. Arroyo provided the Board with some personal background and the accomplishments of Mr. German, an earlier public speaker. He stated that these are the types of people who will be affected by the proposed service efficiencies.

Jose Melendez: Mr. Melendez made the following suggestions: Combine Routes 844, 845, and 844A to serve the business park in Poway during the mid-day hours; create a loop in Santee with 30- to 45- minute frequency to cover Routes 831, 832C&M, and 834; add service on Route 854 between Santee and Grossmont College; retain 60-minute frequency to Lakeside; Add service on the Route 30 to Thornton Hospital and downtown - possibly on weekends also.

Chairman Williams closed the public hearing.

Mr. Zucchet objected to the elimination of the Mission Hills segment of Route 3, especially given its subsidy, which is only \$2.87. He stated that this service efficiency is the least justifiable of the efficiencies recommended because of its low subsidy and because it is a complete elimination of service where there are no alternative services available. He asked that this service efficiency be reconsidered.

Mr. Emery agreed with public speaker Mr. Junker, who requested that the 830 be restored to its former schedule to facilitate a timely connection with Route 844.

Mr. Morrison asked what the subsidy savings would be if the Mission Hills portion of the Route 3 is not eliminated. He also stated that he understood the frustrations of the riders making public comments at the meeting, and that he understood that riders will find some of the efficiencies inconvenient. He stated that their comments are being voiced in the wrong direction. He also stated that MTS would like to provide as much service as possible. He added that it is MTS's responsibility to provide as much service to as many people as possible within the constraints of the budget the public gives MTS. He stated that rider frustration should be with proponents for reducing funding for public transit. He added that the Board is faced with very difficult decisions regarding service efficiencies and must consider the deficit position of the budget. He stated that the Board does not take the public's concerns lightly.

In response to a comment by Ms. Atkins, Mr. Cheung responded that Route 11 "bunching" should improve when service changes are made in June 2005. Ms. Atkins expressed her support of Mr. Zucchet's request regarding the Mission Hills segment of Route 3. She pointed out that she was disappointed that a higher percentage of TransNet was not allocated for public transit. She added that there is some flexibility in the TransNet formula and suggested that the public speakers also carry their message to SANDAG, the agency that administers TransNet. She briefly discussed capital issues and how they will impact the

performance and reliability of the system. She also stressed the important of giving a high priority to ADA-related services when evaluating routes.

Mr. Emery stated that the Board has adopted disciplines to ensure there is an objective review when service efficiencies need to be implemented. He stated that he hoped that these route adjustments do not have a negative impact on the rest of the system. He stated that it is important for Grossmont students to demonstrate an interest in transit by using it more frequently. He also stated that MTS has a responsibility to use its funding as effectively as possible, and SANDAG has a responsibility to encourage the use of public transit. Mr. Monroe expressed support for Mr. Zucchet's request. He stressed that subsidy per passenger should be the primary criteria.

Chairman Williams pointed out that the airport serves 16.4 million passengers per year, while public transit carries 80 million passengers per year. Mr. Rindone stated that MTS needs to operate within its budget. He stated that future cuts will be even more painful to make if they become necessary. He stated that MTS must maintain the integrity of the public transit system in San Diego.

Action Taken

Mr. Monroe moved to approve the recommended service efficiencies for implementation in July and September 2005 with the exception of the Mission Hills segment of Route 3. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor. Mr. Jablonski stated that staff will adjust the schedule for Route 830 so it effectively connects with Route 844.

DISCUSSION ITEMS

31. MTS: Contingency Increases, Budget Transfers, Construction Contract Change Orders (CCO), and Construction Management and Design Engineering Contract Amendments for Mission Valley East (CIP 10426.7.3) (Taken Out of Order)

In the interest of time, there was no staff report on this item.

Action Taken

Mr. Monroe moved to (1) transfer \$1,200,000 from the remaining balance in the Mission Valley East (MVE) Light Rail Transit (LRT) Project Trackwork and Systems line item (WBS #10426-109918TR) into the Construction Contingency for Trackwork and Systems Contract LRT-10426.5, as shown on Attachment A, Construction Contingency Changes, to fund pending contract change orders; (2) transfer \$500,000 from the remaining balance in the MVE LRT Project San Diego State University (SDSU) Tunnel and Underground Station Construction line item (WBS #10426-1010) into the Construction Contingency for SDSU Advanced Utilities Contract LRT-10426.2, as shown on Attachment A, Construction Contingency Changes, to fund pending contract change orders; (3) transfer \$100,000 from the remaining balance in the MVE LRT Project Grantville Segment Construction line item (WBS #10426-109918GR) into the Construction Contingency for Grantville Segment Contract LRT-10426.3, as shown on Attachment A, Construction Contingency Changes, to fund pending contract change orders; (4) transfer \$400,000 from the remaining balances in the MVE LRT Project Fare Collection line item (WBS #10426-1400) and the Communications Equipment line item (WBS #10426-1500) into the Construction Management line item (WBS #10426-

0700), as shown on Attachment B, Budget Change Summary, to fund Contract Amendment No. 36 with Washington Infrastructure Services, Inc. (WIS); (5) transfer \$1,400,000 from the remaining balances in the MVE LRT Project Project Reserve line item (WBS #10426-3900) into the Construction Management line item (WBS #10426-0700), as shown on Attachment B, Budget Change Summary, to fund Contract Amendment No. 36 with WIS; (6) transfer \$250,000 from the remaining balance in the MVE LRT Project Contaminated Soils line item (WBS #10426-4000) into the Engineering and Design-Tunnel line item (WBS #10426-0610) and the Engineering-Line Segment line item (WBS #10426-0618), as shown on Attachment B, Budget Change Summary, to fund Contract Amendment No. 18 with URS Corporation (URS) and correct a budget line item overrun; (7) execute Contract Change Order (CCO) No. 99 with Stacy & Witbeck, Inc. (SWI), in substantially the same form as Attachment C, to complete the 70th Street Station parking lot under Contract LRT-10426.5, Trackwork and Systems, in an amount not to exceed \$175,139. The CCO finishes a portion of a parking area deleted from the La Mesa Segment contractor's work to preserve use of an existing building; (8) execute CCO No. 46, Supplement No. 1, with SWI, in substantially the same form as Attachment D, to fabricate and install station signs under Contract LRT-10426.5, Trackwork and Systems, in an amount not to exceed \$47,400.00. This CCO and supplement pays for SWI to finish the installation of signs deleted from the La Mesa and Grantville Segment contractor's work; (9) execute Contract Amendment No. 36 (MTS Doc. No. L6343.35-01) with WIS, in substantially the form as shown in Attachment E, in an amount not to exceed \$1,489,652, for Construction Management (CM) services on the MVE LRT Project, including extension of CM services through August 31, 2005; and (10) execute Contract Amendment No. 18 (MTS Doc. No. L6220.18-99) with URS Corporation (URS), in substantially the form as shown in Attachment F, in an amount not to exceed \$150,000, for construction design support services on the MVE LRT Project through August 2005. Mr. Emery seconded the motion, and the vote was 8 to 0 in favor.

30. MTS: Grossmont Trolley Station Joint Development Project (LEG 460, PC 10497)
(Taken Out of Order)

Mr. Ewin stated that this project ties to TransNet and is the second project that La Mesa has done in conjunction with MTS. He stated that this is a much larger undertaking and introduced Sandy Kerl, La Mesa City Manager, to talk about the project. Ms. Kerl reviewed the location, existing conditions of the trolley station and surrounding area, project objectives for each of the participants (La Mesa, MTS, SANDAG), and a chronology for the project development. She also outlined the responsibilities as well as financial commitments of Fairfield LLC, La Mesa, and SANDAG/MTS. She then outlined the next steps and showed artist renderings of the completed project. She also expressed her thanks to Mr. Jablonski, Ms. Lorenzen, and MTS Right-Of-Way Manager Tim Allison. She also introduced the Fairfield LLC team, Pat Gavin, Brendan Hayes, Ed McCoy, and Wesley Espinoza. She also introduced City of La Mesa staff, Dave Witt, Rachel Hurst and Robin Keatley.

Mr. Monroe expressed support for the project and asked how La Mesa was able to develop housing units at \$32,500 each. Ms. Kerl stated that one of the reasons was because the projects is going to be financed by CalSters at a very favorable interest rate. She added that this project combines Smart Growth with an affordable housing component, which is very high on CalSters' key priorities for loaning money. Mr. Monroe asked if the \$32,500 was a subsidy so it actually may cost \$200,000 to build a unit. Ms. Kerl responded yes, that was the subsidy per unit for the life of the 55-year project.

Mr. Ewin thanked staff for making this presentation and reinforced the fact that time is of the essence. He also stated that the focus of all who are involved in this project will be critical as unknown factors (construction costs, materials, etc.) arise. He added that this project speaks well for Smart Growth and fulfills the targets of TransNet Use and future transportation modes.

Public Comment

Clive Richard: Mr. Richard expressed support of the project and how well it incorporates Smart Growth, transit-oriented development, and affordable housing. He stated that it is a showcase project.

Peter Warner: Mr. Warner stated that the elevator in this project is critical to ensure ADA-compliant access and stated that this is a priority item.

Action Taken

No action was taken on this item.

REPORT ITEMS

60. Chairman's Report (ADM 121.7, PC 30100)

There was no Chairman's Report.

61. Chief Executive Officer's Report (ADM 121.7, PC 30100)

There was no discussion of this item.

62. Board Member Communications

Report on Article Covering Lawsuit Against AC Transit: Mr. Emery stated that he recently read an article about a lawsuit the has been filed against AC Transit regarding its split of funding between rail and bus service. He requested a legal review of this issue.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, May 12, 2005, at 9:00 a.m. in the same location.


65. Adjournment

Chairman Williams adjourned the meeting at 11:58 p.m.



Chairman
San Diego Metropolitan Transit
Development Board

Filed by:



Office of the Clerk of the Board
San Diego Metropolitan Transit
Development Board

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit
Development Board

Attachment: A. Roll Call Sheet

gail.williams/minutes

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 4/28/05

CALL TO ORDER (TIME): 9:15 a.m.

RECESS: 11:27 a.m.

RECONVENE: 11:37 a.m.

CLOSED SESSION: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:58 a.m.

BOARD MEMBER (Alternate)		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:37 a.m. during AI 25	11:25 a.m. after AI 25
CLABBY	<input checked="" type="checkbox"/> (Greer) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Jantz) <input type="checkbox"/>		
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		11:27 a.m. after AI 25
LEWIS, Mark	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MAIENSCHIN	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		11:44 a.m. during AI 30
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
MORRISON	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>	9:26 a.m. during Consent Items	
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>	9:22 a.m. during Employee Awards	11:25 a.m. after AI 25
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		<input checked="" type="checkbox"/>
ROSE	<input type="checkbox"/> (Janney) <input type="checkbox"/>		<input checked="" type="checkbox"/>
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		<input checked="" type="checkbox"/>
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:59 a.m. during AI 25	11:25 a.m. after AI 25

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Jeffrey Kaczynski



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 2a

MTS OPERATORS FINANCE WORKSHOP

FIN 310.1 (PC 30100)

May 12, 2005

SUBJECT:

MTS: FY 2006 BUDGET DEVELOPMENT

RECOMMENDATION:

That the Board of Directors receive the combined MTS FY 2006 operating budget reports (Attachments A-N) and approve the following budgetary assumptions for the fiscal year 2006 budget:

- BRT Funds: BRT funds will be utilized to balance the fiscal year 2006 budget.

Budget Impact

None at this time.

DISCUSSION:

MTS Budget Status Review

A historical review of the MTS financial status and several operational issues were presented to the Board of Directors on April 28, 2005.

Review of MTS Financial Status

For the last several years, MTS has had an imbalance between recurring revenues and recurring expenses. As indicated within Attachment I, the fiscal year 2005 amended budget utilized \$15,010,000 in nonrecurring revenues. This ranged from \$3,500,000 in bus rapid transit (BRT) funds, \$8,173,000 in contingency reserves, and \$2,539,000 in Mission Valley East capital/Congestion Mitigation and Air Quality (CMAQ) Improvement Program, Intermodal Surface Transportation Efficiency Act (ISTEA) funds. In addition, MTS is also using \$23,200,000 in Federal Section 5307 Preventative Maintenance funding within the operating budget.



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

MTS has a fiscal year 2006 capital program that contains projects totaling \$76,002,000. Of these total needs, only \$25,045,000 is available for current fiscal year funding, which leaves \$50,957,000 unfunded. Additionally, as these capital projects go unfunded within the current fiscal year, the accumulated amount continues to grow.

Review of MTS Operational Issues

- Job Access Reverse Commute (JARC)/Air Pollution Control District (APCD) Revenue and Related Service
 - Job Access Reverse Commute (JARC) funding is currently in jeopardy. The budget currently assumes the continuation of total funding from this source and services for all four routes. It is unlikely that securing the funding for JARC will be resolved before budget completion. If JARC funding cannot be secured, funding for these services will come from the nonrecurring BRT funding. These services will be reviewed as part of the Operational Efficiencies (COA Phase II) to determine whether operating these routes beyond the current fiscal year is prudent. Attachment K details the services, costs, secured funding, and funding in jeopardy.
 - As was discussed at the April 28, 2005, Finance Workshop, Air Pollution Control District (APCD) funding was also considered in jeopardy. Several discussions have taken place since the workshop, and this funding source seems to be secured for the next fiscal year. Future fiscal year funding from APCD is questionable, and staff will monitor the status of this funding over the next fiscal year.
- Operational Efficiencies (COA Phase I)
 - On April 28, 2005, the Board approved Phase I of the operational efficiencies (Comprehensive Operational Analysis [COA]) except for service changes within Route 3. Staff has quantified these efficiencies, and the budget reflects a \$2.85 million net operating deficit reduction for fiscal year 2006.
- BRT Funding
 - In fiscal year 2006, there is \$4,414,000 in nonrecurring funds available due to changes within the BRT program subsequent to the passage of TransNet. Staff recommended and received guidance from the Board to utilize the amount needed from these BRT proceeds to balance the fiscal year 2006 budget after the operational efficiencies (COA Phase I) were quantified. All remaining BRT funding would be applied to the Capital Improvement Program. Currently, the projected BRT funding used to balance the fiscal year 2006 operations budget is \$2,371,000, and \$2,043,000 is projected to be utilized within the Capital Improvement Program.

- Preventative Maintenance Cap
 - We are currently utilizing \$23,200,000 in Federal Section 5307 Preventative Maintenance funds for operational purposes. This Federal Section 5307 funding for future fiscal years are planned to be capped to ensure that all increases would be used for capital purposes.

FY 2006 Overview

As indicated within Attachment A, the fiscal year 2006 total budgeted revenue is projected at \$224,558,000 and total projected expenses are budgeted at \$224,558,000, resulting in a balanced budget for fiscal year 2006. These fiscal year 2006 figures include \$4,588,000 of CMAQ nonrecurring revenue directly attributable to the Mission Valley East operations nonrecurring BRT funding totaling \$2,371,000 and no contingency reserve utilization.

FY 2006 Revenue

Please refer to Attachments A - F for functional, related fiscal year 2006 budgeted revenue.

FY 2006 Operating Revenues

Combined fare revenue for fiscal year 2006 is projected to increase \$1,670,000 (2.4%) compared to midyear adjusted fiscal year 2005 levels. This increase is due to the start-up of Mission Valley East operations contributing \$2,891,000, offset by an internal bus operations fare revenue reduction of \$1,267,000 (-6.0%). Other operators have increased fare revenues of \$46,000 (0.1%).

Combined passenger levels for all operators are projected to total 79,692,000. This increase of 2,383,000 (3.1%) is due to Mission Valley East start-up contributing 4,015,000, offset by internal bus operations passenger levels decreasing by 1,598,000 (-6.7%). All other operators are budgeted to have decreased levels of passengers totaling 33,000 (-0.0%).

FY 2006 Other Revenues. Total other revenue is budgeted to decrease by \$297,000 (-9.7%). This is primarily due to a reclassification of miscellaneous income to offset related operating expenses, a reduction in advertising revenues, and a reduction in Taxicab Administration miscellaneous revenues.

FY 2006 Subsidy Revenues. Subsidy revenues are currently budgeted to rise \$15,313,000 or 11.3 percent. As indicated within Attachment I, this fiscal year increase is segmented into debt service, operational recurring revenues, and operational nonrecurring revenues. Total debt service incremental increase is \$9,497,000 (77.9%), operational recurring subsidies increased \$13,699,000 (12.6%), and operational nonrecurring revenues decreased by \$7,883,000 (-52.5%).

FY 2006 Expenses

Please refer to Attachments A-F for functional related fiscal year 2006 budgeted expenses and Attachments G-H for an operational look at fiscal year 2006 budgeted expenses.

FY 2006 Combined Expenses. Fiscal year 2006 combined expenses total \$224,558,000, an increase from midyear-amended fiscal year 2005 of \$16,686,000 (8.0%). Excluding nonpension bond debt service expenses and reserve contributions, the operational expense increase totals \$9,484,000 (4.9%). Excluding the incremental Mission Valley East costs of \$5,467,000, the comparable operational costs increased \$4,017,000 (2.1%) from midyear-amended fiscal year 2005.

In terms of functional operating variances included in Attachment A, there are three areas of note: wages, fringes, and energy.


Wages expenses increased \$180,000 (0.3%) primarily due to contractual and merit increases, averaging approximately 3.0%, offset by a reduction of operator and shop overtime and operational efficiencies (COA Phase I) implementation with internal bus operations and contracted services.

Fringe-related expenses increased \$997,000 (3.3%). Including the pension bond obligation, which is included within the functional debt-service line, the increase would have been \$5,950,000 (19.8%). This increase is primarily due to additional pension costs within internal bus operations and rail operations (\$2,086,000), additional health and welfare costs within internal bus operations (\$992,000), projected workers' compensation increases within internal bus operations and rail operations (\$733,000) Mission Valley East incremental increases within fringe (\$645,000), and additional sick and vacation payout within internal bus operations (\$600,000).

As was discussed at our April 19, 2005, Finance Workshop, staff recommended and received guidance from the Board to adjust diesel prices to \$1.80 per gallon and compressed natural gas (CNG) rates to \$1.06 per therm. On an annual basis compared to fiscal year 2005 original energy rates, expenses increased \$3,675,000 (19.0%) compared to the original approved fiscal year 2005 budget. This is primarily due to the incremental increase in energy rates (FY 05 original budget was \$1.10 per gallon for diesel and \$0.90 per therm for CNG) from fiscal year 2005 (\$1,904,000), incremental Mission Valley East-related operational costs (\$1,700,000), and reclassifications of some utility costs from General and Administrative (\$71,000).

As was requested at the April 28, 2005, Finance Workshop, Attachment M provides a written summary and description of combined MTS long-term debt and other financing

agreements. Attachment N details the debt-service schedule for the current budgeted fiscal year and beyond.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tom Lynch, 619.557.4538, Tom.Lynch@sdmts.com

JGarde
MAY12-05.2a.LMARINESI
5/5/05

Attachments:

- A. Proposed FY 2006 Budget
- B. Operating Budget Summary FY 2006
- C. Operations Budget FY 2006
- D. Administrative Budget FY 2006
- E. Other Activities Budget FY 2006
- F. Debt Service Budget FY 2006
- G. Total Operating Budget Proposed FY 2006 Budget
- H. Detailed Total Operating Budget Proposed FY 2006 Budget
- I. Revenue Summary FY 2006
- J. Energy Impact on Operations
- K. JARC/APCD Revenue Issue FY 2006
- L. Five-Year Projections – Summary FY 2006
- M. Description of Long-Term Debt and Other Financing Agreements
- N. Operating Budget Debt Service FYs 2006-2034

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TOTAL OPERATING BUDGET
PROPOSED FY 2006 BUDGET
(in \$000's)

	FY 2005 APPROVED BUDGET	FY 2005 AMENDED BUDGET	FY 2006 PROPOSED BUDGET	\$ VARIANCE FY06 BUDGET TO FY05 AMENDED	% VARIANCE FY06 BUDGET TO FY05 AMENDED
Fare Revenue	\$ 68,005	\$ 68,912	\$ 70,582	\$ 1,670	2.4%
Other Revenue	3,185	3,066	2,769	(297)	-9.7%
Total Operating Revenue	\$ 71,190	\$ 71,979	\$ 73,351	\$ 1,373	1.9%
Subsidy	134,535	135,894	151,207	15,313	11.3%
Total Revenue	\$ 205,726	\$ 207,872	\$ 224,558	\$ 16,686	8.0%
Wages	\$ 58,752	\$ 60,564	\$ 60,744	\$ 180	0.3%
Fringes	30,050	30,088	31,084	997	3.3%
Services	15,730	15,941	16,292	350	2.2%
Purchased Transportation	50,330	49,558	49,975	417	0.8%
Materials	7,702	8,289	8,234	(55)	-0.7%
Energy	19,374	20,492	23,049	2,557	12.5%
Risk Management	6,006	5,647	5,765	117	2.1%
General and Administrative	2,806	2,316	1,356	(960)	-41.4%
Vehicle/Facility Lease	239	239	320	81	34.0%
Debt Service	12,540	12,540	27,740	15,200	121.2%
Reserve	2,198	2,198	-	(2,198)	-100.0%
Total Costs	\$ 205,726	\$ 207,872	\$ 224,558	\$ 16,686	8.0%
Total Revenue Less Total Costs	\$ (0)	\$ 0	\$ -	\$ (0)	-100.0%
Net Operating Subsidy	\$ (134,535)	\$ (135,894)	\$ (151,207)	\$ (15,313)	11.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET SUMMARY
FISCAL YEAR 2006

	ORIGINAL BUDGET FY05	AMENDED BUDGET FY05	PROPOSED BUDGET FY06	\$ VARIANCE FY06 BUDGET TO FY05 AMENDED	% CHANGE BUDGET/ AMENDED
OPERATING REVENUE					
PASSENGER REVENUE	68,005,000	68,912,400	70,582,446	1,670,046	2.4%
OTHER OPERATING INCOME	3,185,442	3,066,161	2,768,910	(297,251)	-9.7%
TOTAL OPERATING REVENUES	71,190,442	71,978,561	73,351,356	1,372,795	1.9%
NON OPERATING REVENUE					
SUBTOTAL SUBSIDY REVENUE	127,011,804	127,720,324	151,038,768	23,318,444	18.3%
SUBTOTAL OTHER NON OPERATING REVENUE	7,523,433	8,173,433	168,242	(8,005,191)	-97.9%
TOTAL NON OPERATING REVENUE	134,535,237	135,893,757	151,207,010	15,313,253	11.3%
TOTAL COMBINED REVENUES	205,725,679	207,872,318	224,558,366	16,686,048	8.0%
OPERATING EXPENSES					
LABOR EXPENSES	58,751,837	60,564,147	60,743,935	179,788	0.3%
FRINGE EXPENSES	30,049,525	30,087,589	31,084,255	996,665	3.3%
TOTAL PERSONNEL EXPENSES	88,801,362	90,651,736	91,828,189	1,176,453	1.3%
SECURITY EXPENSES	4,810,038	5,322,613	5,130,392	(192,221)	-3.6%
REPAIR/MAINTENANCE SERVICES	3,050,134	3,245,666	3,586,791	341,125	10.5%
ENGINE AND TRANSMISSION REBUILD	1,138,800	1,012,004	999,683	(12,321)	-1.2%
OTHER OUTSIDE SERVICES	6,730,962	6,361,054	6,574,681	213,627	3.4%
PURCHASED TRANSPORTATION	50,329,748	49,557,718	49,975,012	417,294	0.8%
TOTAL OUTSIDE SERVICES	66,059,682	65,499,055	66,266,558	767,504	1.2%
LUBRICANTS	277,255	294,062	366,038	71,976	24.5%
TIRES	614,407	614,407	780,305	165,898	27.0%
OTHER MATERIALS AND SUPPLIES	6,809,918	7,380,732	7,087,747	(292,985)	-4.0%
TOTAL MATERIALS AND SUPPLIES	7,701,580	8,289,201	8,234,090	(55,111)	-0.7%
DIESEL FUEL	4,534,410	6,488,320	5,922,613	(565,706)	-8.7%
CNG	6,846,672	7,090,259	7,850,957	760,698	10.7%
TRACTION POWER	5,712,975	4,666,854	6,634,604	1,967,750	42.2%
UTILITIES	2,279,610	2,246,099	2,640,482	394,384	17.6%
TOTAL ENERGY	19,373,667	20,491,532	23,048,657	2,557,125	12.5%
RISK MANAGEMENT	6,006,042	5,647,389	5,764,513	117,124	2.1%
GENERAL AND ADMINISTRATIVE	5,004,221	4,514,316	1,356,440	(3,157,875)	-70.0%
DEBT SERVICE	12,540,458	12,540,458	27,740,071	15,199,613	121.2%
VEHICLE / FACILITY LEASE	238,671	238,631	319,848	81,217	34.0%
TOTAL OPERATING EXPENSES	205,725,683	207,872,316	224,558,366	16,686,049	8.0%
NET OPERATING SUBSIDY	(134,535,241)	(135,893,755)	(151,207,010)	15,313,254	11.3%
OVERHEAD ALLOCATION	-	-	-	-	-
ADJUSTED NET OPERATING SUBSIDY	(134,535,241)	(135,893,755)	(151,207,010)	15,313,254	11.3%
TOTAL REVENUES LESS TOTAL EXPENSES	(4)	2	-	2	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS BUDGET
FISCAL YEAR 2006**

	ORIGINAL BUDGET FY05	AMENDED BUDGET FY05	PROPOSED BUDGET FY06	\$ VARIANCE FY06 BUDGET TO FY05 AMENDED	% CHANGE BUDGET/ AMENDED
OPERATING REVENUE					
PASSENGER REVENUE	68,005,000	68,912,400	70,582,446	1,670,046	2.4%
OTHER OPERATING INCOME	1,295,550	1,176,269	1,144,600	(31,669)	-2.7%
TOTAL OPERATING REVENUES	69,300,550	70,088,669	71,727,046	1,638,377	2.3%
NON OPERATING REVENUE					
SUBTOTAL SUBSIDY REVENUE	113,575,413	114,638,907	123,979,530	9,340,623	8.1%
SUBTOTAL OTHER NON OPERATING REVENUE	-	-	-	-	-
TOTAL NON OPERATING REVENUE	113,575,413	114,638,907	123,979,530	9,340,623	8.1%
TOTAL COMBINED REVENUES	182,875,963	184,727,576	195,706,576	10,979,001	5.9%
OPERATING EXPENSES					
LABOR EXPENSES	55,401,060	57,030,350	54,332,777	(2,697,572)	-4.7%
FRINGE EXPENSES	30,095,163	30,133,227	33,673,126	3,539,899	11.7%
TOTAL PERSONNEL EXPENSES	85,496,223	87,163,577	88,005,903	842,326	1.0%
SECURITY EXPENSES	4,810,038	5,322,613	5,120,252	(202,361)	-3.8%
REPAIR/MAINTENANCE SERVICES	2,983,539	3,179,071	3,489,226	310,155	9.8%
ENGINE AND TRANSMISSION REBUILD	1,138,800	1,012,004	999,683	(12,321)	-1.2%
OTHER OUTSIDE SERVICES	5,046,962	4,215,054	3,416,906	(798,148)	-18.9%
PURCHASED TRANSPORTATION	50,329,748	49,557,718	49,975,012	417,294	0.8%
TOTAL OUTSIDE SERVICES	64,309,087	63,286,460	63,001,078	(285,381)	-0.5%
LUBRICANTS	277,255	294,062	366,038	71,976	24.5%
TIRES	614,407	614,407	780,305	165,898	27.0%
OTHER MATERIALS AND SUPPLIES	6,806,918	7,377,732	7,041,247	(336,485)	-4.6%
TOTAL MATERIALS AND SUPPLIES	7,698,580	8,286,201	8,187,590	(98,611)	-1.2%
DIESEL FUEL	4,534,410	6,488,320	5,915,767	(572,553)	-8.8%
CNG	6,846,672	7,090,259	7,850,957	760,698	10.7%
TRACTION POWER	5,712,975	4,666,854	6,634,604	1,967,750	42.2%
UTILITIES	2,239,610	2,206,099	2,479,274	273,176	12.4%
TOTAL ENERGY	19,333,667	20,451,532	22,880,602	2,429,071	11.9%
RISK MANAGEMENT	5,206,042	4,847,389	4,946,251	98,862	2.0%
GENERAL AND ADMINISTRATIVE	593,693	453,788	629,281	175,494	38.7%
DEBT SERVICE	-	-	-	-	-
VEHICLE / FACILITY LEASE	238,671	238,631	319,018	80,387	33.7%
TOTAL OPERATING EXPENSES	182,875,963	184,727,576	187,969,722	3,242,146	1.8%
NET OPERATING SUBSIDY	(113,575,413)	(114,638,907)	(116,242,676)	1,603,769	1.4%
OVERHEAD ALLOCATION	-	-	(7,736,854)	-	-
ADJUSTED NET OPERATING SUBSIDY	(113,575,413)	(114,638,907)	(123,979,530)	9,340,623	8.1%
TOTAL REVENUES LESS TOTAL EXPENSES	-	-	(0)	0	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATIVE BUDGET
FISCAL YEAR 2006**

	ORIGINAL BUDGET FY05	AMENDED BUDGET FY05	PROPOSED BUDGET FY06	\$ VARIANCE FY06 BUDGET TO FY05 AMENDED	% CHANGE BUDGET/ AMENDED
OPERATING REVENUE					
PASSENGER REVENUE	-	-	-	-	-
OTHER OPERATING INCOME	1,023,000	1,023,000	865,110	(157,890)	-15.4%
TOTAL OPERATING REVENUES	1,023,000	1,023,000	865,110	(157,890)	-15.4%
NON OPERATING REVENUE					
SUBTOTAL SUBSIDY REVENUE	8,108,000	8,403,020	5,118,000	(3,285,020)	-39.1%
SUBTOTAL OTHER NON OPERATING REVENUE	-	-	-	-	-
TOTAL NON OPERATING REVENUE	8,108,000	8,403,020	5,118,000	(3,285,020)	-39.1%
TOTAL COMBINED REVENUES	9,131,000	9,426,020	5,983,110	(3,442,910)	-36.5%
OPERATING EXPENSES					
LABOR EXPENSES	2,922,325	3,105,345	5,961,483	2,856,138	92.0%
FRINGE EXPENSES	(210,325)	(210,325)	2,211,476	2,421,801	-1151.5%
TOTAL PERSONNEL EXPENSES	2,712,000	2,895,020	8,172,959	5,277,939	182.3%
SECURITY EXPENSES	-	-	10,140	10,140	-
REPAIR/MAINTENANCE SERVICES	42,000	42,000	69,900	27,900	66.4%
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	1,472,000	1,934,000	3,048,723	1,114,723	57.6%
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	1,514,000	1,976,000	3,128,763	1,152,763	58.3%
LUBRICANTS	-	-	-	-	-
TIRES	-	-	-	-	-
OTHER MATERIALS AND SUPPLIES	3,000	3,000	46,500	43,500	1450.0%
TOTAL MATERIALS AND SUPPLIES	3,000	3,000	46,500	43,500	1450.0%
DIESEL FUEL	-	-	980	980	-
CNG	-	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	40,000	40,000	152,144	112,144	280.4%
TOTAL ENERGY	40,000	40,000	153,124	113,124	282.8%
RISK MANAGEMENT	800,000	800,000	729,739	(70,261)	-8.8%
GENERAL AND ADMINISTRATIVE	4,062,000	3,712,000	1,515,058	(2,196,942)	-59.2%
DEBT SERVICE	-	-	-	-	-
VEHICLE / FACILITY LEASE	-	-	830	830	-
TOTAL OPERATING EXPENSES	9,131,000	9,426,020	13,746,973	4,320,953	45.8%
NET OPERATING SUBSIDY	(8,108,000)	(8,403,020)	(12,881,863)	4,478,843	53.3%
OVERHEAD ALLOCATION	-	-	7,763,863	-	-
ADJUSTED NET OPERATING SUBSIDY	(8,108,000)	(8,403,020)	(5,118,000)	(3,285,020)	-39.1%
TOTAL REVENUES LESS TOTAL EXPENSES	-	-	-	-	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM -
OTHER ACTIVITIES BUDGET
FISCAL YEAR 2006

	ORIGINAL BUDGET FY05	AMENDED BUDGET FY05	PROPOSED BUDGET FY06	\$ VARIANCE FY06 BUDGET TO FY05 AMENDED	% CHANGE BUDGET/ AMENDED
OPERATING REVENUE					
PASSENGER REVENUE	-	-	-	-	-
OTHER OPERATING INCOME	866,892	866,892	759,200	(107,692)	-12.4%
TOTAL OPERATING REVENUES	866,892	866,892	759,200	(107,692)	-12.4%
NON OPERATING REVENUE					
SUBSIDY REVENUE					
FEDERAL REVENUE	(91,340,814)	(92,294,308)	(95,273,030)	(2,978,722)	3.2%
LOCAL - TRANS DEVELOPMENT ACT (TDA)	62,323,132	62,386,632	66,443,600	4,056,968	6.5%
STATE TRANSIT ASSISTANCE (STA)	4,909,823	4,909,823	6,572,986	1,663,163	33.9%
STATE REVENUE	538,000	778,000	544,543	(233,457)	-30.0%
OTHER LOCAL - TRANSNET	16,357,792	16,357,792	21,712,501	5,354,709	32.7%
OTHER FUNDS	-	-	-	-	-
SUBTOTAL SUBSIDY REVENUE	(7,212,067)	(7,862,061)	600	7,862,661	-100.0%
SUBTOTAL OTHER NON OPERATING REVENUE	7,523,433	8,173,433	168,242	(8,005,191)	-97.9%
TOTAL NON OPERATING REVENUE	311,366	311,372	168,842	(142,530)	-45.8%
TOTAL COMBINED REVENUES	1,178,258	1,178,264	928,042	(250,222)	-21.2%
OPERATING EXPENSES					
LABOR EXPENSES	428,452	428,452	449,675	21,223	5.0%
FRINGE EXPENSES	164,687	164,687	152,922	(11,766)	-7.1%
TOTAL PERSONNEL EXPENSES	593,139	593,139	602,596	9,457	1.6%
SECURITY EXPENSES	-	-	-	-	-
REPAIR/MAINTENANCE SERVICES	24,595	24,595	27,665	3,070	12.5%
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	212,000	212,000	109,052	(102,948)	-48.6%
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	236,595	236,595	136,717	(99,878)	-42.2%
LUBRICANTS	-	-	-	-	-
TIRES	-	-	-	-	-
OTHER MATERIALS AND SUPPLIES	-	-	-	-	-
TOTAL MATERIALS AND SUPPLIES	-	-	-	-	-
DIESEL FUEL	-	-	5,867	5,867	-
CNG	-	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	-	-	9,064	9,064	-
TOTAL ENERGY	-	-	14,931	14,931	-
RISK MANAGEMENT	-	-	88,523	88,523	-
GENERAL AND ADMINISTRATIVE	348,528	348,528	58,266	(290,262)	-83.3%
DEBT SERVICE	-	-	-	-	-
VEHICLE/ FACILITY LEASE	-	-	-	-	-
TOTAL OPERATING EXPENSES	1,178,262	1,178,262	901,033	(277,229)	-23.5%
NET OPERATING SUBSIDY	(311,370)	(311,370)	(141,833)	(169,537)	-54.4%
OVERHEAD ALLOCATION	-	-	(27,009)	-	-
ADJUSTED NET OPERATING SUBSIDY	(311,370)	(311,370)	(168,842)	(142,528)	-45.8%
TOTAL REVENUES LESS TOTAL EXPENSES	(4)	2	0	2	-100.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
DEBT SERVICE BUDGET
FISCAL YEAR 2006

	ORIGINAL BUDGET FY05	AMENDED BUDGET FY05	ORIGINAL BUDGET FY06	\$ VARIANCE FY06 BUDGET TO FY05 AMENDED	% CHANGE BUDGET/ AMENDED
OPERATING REVENUE					
PASSENGER REVENUE	-	-	-	-	-
OTHER OPERATING INCOME	-	-	-	-	-
TOTAL OPERATING REVENUES	-	-	-	-	-
NON OPERATING REVENUE					
SUBTOTAL SUBSIDY REVENUE	12,540,458	12,540,458	21,940,637	9,400,179	75.0%
SUBTOTAL OTHER NON OPERATING REVENUE	-	-	-	-	-
TOTAL NON OPERATING REVENUE	12,540,458	12,540,458	21,940,637	9,400,179	75.0%
TOTAL COMBINED REVENUES	12,540,458	12,540,458	21,940,637	9,400,179	75.0%
OPERATING EXPENSES					
LABOR EXPENSES	-	-	-	-	-
FRINGE EXPENSES	-	-	(4,953,269)	(4,953,269)	-
TOTAL PERSONNEL EXPENSES	-	-	(4,953,269)	(4,953,269)	-
SECURITY EXPENSES	-	-	-	-	-
REPAIR/MAINTENANCE SERVICES	-	-	-	-	-
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	-	-	-	-	-
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	-	-	-	-	-
LUBRICANTS	-	-	-	-	-
TIRES	-	-	-	-	-
OTHER MATERIALS AND SUPPLIES	-	-	-	-	-
TOTAL MATERIALS AND SUPPLIES	-	-	-	-	-
DIESEL FUEL	-	-	-	-	-
CNG	-	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	-	-	-	-	-
TOTAL ENERGY	-	-	-	-	-
RISK MANAGEMENT	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	-	(846,165)	(846,165)	-
DEBT SERVICE	12,540,458	12,540,458	27,740,071	15,199,613	121.2%
VEHICLE / FACILITY LEASE	-	-	-	-	-
TOTAL OPERATING EXPENSES	12,540,458	12,540,458	21,940,637	9,400,179	75.0%
NET OPERATING SUBSIDY	(12,540,458)	(12,540,458)	(21,940,637)	9,400,179	75.0%
OVERHEAD ALLOCATION	-	-	-	-	-
ADJUSTED NET OPERATING SUBSIDY	(12,540,458)	(12,540,458)	(21,940,637)	9,400,179	75.0%
TOTAL REVENUES LESS TOTAL EXPENSES	-	-	-	-	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TOTAL OPERATING BUDGET
PROPOSED FY 2006 BUDGET
(in \$000's)

	FY 2005 Amended Expense Budget	Year to Year Allocation Difference	FY 2005 Adjusted Amended Expense Budget	FY 2006 Proposed Expense Budget	Difference	Percent Variance
Combined Operations	182,120	(4,748)	177,372	180,517	3,146	1.8%
Combined Operations - MVE	2,608	-	2,608	7,452	4,844	185.7%
Combined Other Operations	1,178	(63)	1,115	901	(214)	-19.2%
Combined Administrative	7,228	4,811	12,039	13,124	1,085	9.0%
Combined Administrative - MVE	-	-	-	623	623	0.0%
Combined Debt Service	12,540	-	12,540	21,941	9,400	75.0%
Combined Reserve	2,198	-	2,198	-	(2,198)	-100.0%
Combined Grand Total	<u>207,872</u>	<u>-</u>	<u>207,872</u>	<u>224,558</u>	<u>16,686</u>	<u>8.0%</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

TOTAL OPERATING BUDGET

PROPOSED FY 2006 BUDGET

(in \$000's)

	FY 2005 Amended Expense Budget	Year to Year Allocation Difference	FY 2005 Adjusted Amended Expense Budget	FY 2006 Proposed Expense Budget	Difference	Percent Variance
Operations						
Internal Bus Operations	75,476	(3,518)	71,958	72,766	808	1.1%
Rail Operations	43,676	(1,230)	42,447	43,652	1,205	2.8%
Contract Services - Combined	52,868	-	52,868	53,479	611	1.2%
Chula Vista Transit	6,802	-	6,802	7,120	318	4.7%
National City Transit	2,821	-	2,821	3,021	200	7.1%
Coronado Ferry	131	-	131	135	4	3.0%
Administrative Pass Through	344	-	344	344	-	0.0%
Combined Operations	182,120	(4,748)	177,372	180,517	3,146	1.8%
Operations - MVE						
Rail Operations - MVE	2,608	-	2,608	7,452	4,844	185.7%
Combined Operations - MVE	2,608	-	2,608	7,452	4,844	185.7%
Other Operations						
Taxicab Administration	998	(63)	935	721	(214)	-22.9%
San Diego & Arizona Eastern	180	-	180	180	-	0.0%
Combined Other Operations	1,178	(63)	1,115	901	(214)	-19.2%
Administrative						
Board of Directors	141	-	141	131	(10)	-6.9%
BOD Admin	-	-	-	172	172	0.0%
Bus Bench / Bus Shelter	240	-	240	240	-	0.0%
Executive	569	(288)	281	280	(1)	-0.5%
Finance	335	852	1,187	1,161	(26)	-2.2%
Fringes	1,120	1,167	2,287	2,485	198	8.7%
General	1,635	(18)	1,617	1,728	111	6.9%
Overhead Reimbursement	(1,330)	400	(930)	(600)	330	-35.5%
Human Resources	75	1,352	1,427	1,375	(52)	-3.6%
Information Technology	270	891	1,161	1,239	78	6.7%
Land Management	42	-	42	154	112	266.3%
Legal	75	498	573	252	(322)	-56.1%
Marketing	991	-	991	1,284	293	29.6%
Multimodal Operations	1,136	(965)	172	168	(4)	-2.1%
Operations Planning	1,055	124	1,179	998	(181)	-15.4%
Procurement	-	-	-	521	521	0.0%
Risk	800	-	800	703	(97)	-12.2%
Telephone Information Services	-	581	581	577	(4)	-0.6%
Transit Store	73	217	290	256	(34)	-11.8%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

TOTAL OPERATING BUDGET

PROPOSED FY 2006 BUDGET

(in \$000's)

	FY 2005 Amended Expense Budget	Year to Year Allocation Difference	FY 2005 Adjusted Amended Expense Budget	FY 2006 Proposed Expense Budget	Difference	Percent Variance
Combined Administrative	7,228	4,811	12,039	13,124	1,085	9.0%
Administrative - MVE						
Finance	-	-	-	39	39	0.0%
Fringes	-	-	-	110	110	0.0%
Human Resources	-	-	-	153	153	0.0%
Information Technology	-	-	-	74	74	0.0%
Marketing	-	-	-	147	147	0.0%
Risk	-	-	-	100	100	0.0%
Combined Administrative	-	-	-	623	623	0.0%
Debt Service						
LRV Leaseback (1990 and 1995)	7,601	-	7,601	10,302	2,701	35.5%
Regional Transit Management System (2002)	3,849	-	3,849	3,831	(18)	-0.5%
Automated Fare Collection (2003)	840	-	840	7,558	6,717	799.2%
Revenue Anticipation Notes (2005)	250	-	250	250	-	0.0%
Pension Obligation Bonds (2005)	-	-	-	-	-	0.0%
Tower Note	-	-	-	-	-	0.0%
Combined Debt Service	12,540	-	12,540	21,941	9,400	75.0%
Reserve						
Insurance Reserve Contrib.	1,950	-	1,950	-	(1,950)	-100.0%
Land Management Reserve Contrib.	248	-	248	-	(248)	-100.0%
Energy Contingency Reserve Contrib.	-	-	-	-	-	0.0%
Combined Reserve	2,198	-	2,198	-	(2,198)	-100.0%
Combined Grand Total	207,872	-	207,872	224,558	16,686	8.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
REVENUE SUMMARY
FISCAL YEAR 2006**

	AMENDED BUDGET FY05	PROPOSED BUDGET FY06	DOLLAR CHANGE BUDGET/ AMENDED	% CHANGE BUDGET/ AMENDED
OPERATING REVENUE				
PASSENGER REVENUE	68,912,400	70,582,446	1,670,046	2.4%
ADVERTISING REVENUE	740,000	700,000	(40,000)	-5.4%
CONTRACT SERVICE REVENUE	25,000	25,000	0	0.0%
OTHER INCOME	2,301,161	2,043,910	(257,251)	-11.2%
Total Operating Revenue	71,978,561	73,351,356	1,372,795	1.9%
SUBSIDY REVENUE				
FEDERAL REVENUE	24,433,947	24,368,912	(65,035)	-0.3%
TRANSPORTATION DEVELOPMENT ACT (TDA)	66,508,575	71,561,600	5,053,025	7.6%
STATE TRANSIT ASSISTANCE (STA)	4,909,823	6,572,986	1,663,163	33.9%
STATE REVENUE - OTHER	778,000	544,543	(233,457)	-30.0%
TRANSNET	10,221,853	17,292,212	7,070,359	69.2%
OTHER LOCAL SUBSIDIES	1,838,483	2,049,512	211,029	11.5%
Total Subsidy Revenue	108,690,681	122,389,765	13,699,084	12.6%
NON RECURRING REVENUES				
USE OF BRT FUNDS	3,500,000	2,370,777	(1,129,223)	-32.3%
MISSION VALLEY EAST CAPITAL START UP	2,000,000		(2,000,000)	-100.0%
FEDERAL CMAQ FOR MISSION VALLEY EAST	538,816	4,587,588	4,048,772	751.4%
CARRYOVERS	460,456		(460,456)	-100.0%
OTHER RESERVES (LAND MANAGEMENT/SD&AE)	337,000	168,242	(168,758)	-50.1%
CONTINGENCY RESERVES	8,173,432		(8,173,432)	-100.0%
Total Non Recurring Revenues	15,009,704	7,126,607	(7,883,097)	-52.5%
DEBT SERVICE/LEASE LEASEBACK REVENUE	12,193,371	21,690,637	9,497,266	77.9%
GRAND TOTAL REVENUES	207,872,317	224,558,365	16,686,048	8.03%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Fiscal Year 2005

Energy Impact on Operations

Average annual cost per \$0.01 increase in price

Diesel	CNG
30,300	74,600

Annual budgetary impact (increased cost) at annual average prices

Diesel		CNG	
Average Annual Price	Annual Budgetary Impact	Average Annual Price	Annual Budgetary Impact
1.75	(151,500)	1.04	(149,200)
1.80	-	1.06	-
1.85	151,500	1.07	74,600
1.90	303,000	1.09	223,800
1.95	454,500	1.11	373,000
2.00	606,000	1.13	522,100
2.05	757,500	1.15	671,300
2.10	909,100	1.17	820,500

** FY 2006 budget rates for Diesel and CNG are \$1.80 and \$1.06 respectively

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
JARC / APCD REVENUE ISSUE
FISCAL YEAR 2006

Revenue at Issue FY 2006 Proposed Budget					Proposed Net Subsidy
Route	JARC	APCD	Total		
MCS Otay Mesa (JARC;Jobs Access)	905	240,141	240,141		480,282
MCS Mid City (JARC; Reverse Commute)	960	234,853	234,853		469,707
MCS Poway Reverse Commute (JARC, Reverse Commute)	830	48,917	48,917		171,834
MCS Sorrento Valley Coaster Connection	SVCC		0		754,834
	<u>523,911</u>	<u>0</u>	<u>523,911</u>		<u>1,876,657</u>

Revenue Currently Secured in FY 2006						Proposed Net Subsidy
Route	TDA	JARC	Federal 5307	APCD	Total	
MCS Otay Mesa (JARC;Jobs Access)	905	240,141			240,141	480,282
MCS Mid City (JARC; Reverse Commute)	960	234,853			234,853	469,707
MCS Poway Reverse Commute (JARC, Reverse Commute)	830	37,000		85,917	122,917	171,834
MCS Sorrento Valley Coaster Connection	SVCC		208,000	546,834	754,834	754,834
	<u>474,994</u>	<u>37,000</u>	<u>208,000</u>	<u>632,751</u>	<u>1,352,745</u>	<u>1,876,657</u>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
FIVE YEAR PROJECTIONS - SUMMARY
FISCAL YEAR 2006**

	APPROVED BUDGET FY05	PROJECTED FY05	PROPOSED BUDGET FY06	PROJECTED FY07	PROJECTED FY08	PROJECTED FY09	PROJECTED FY10
OPERATING REVENUE - BASE	71,190,442	71,978,561	70,460,032	71,444,000	72,444,000	77,329,000	79,207,000
OPERATING REVENUE - MVE	-	-	2,891,324	2,978,000	3,067,000	-	-
TOTAL OPERATING REVENUES	71,190,442	71,978,561	73,351,356	74,422,000	75,511,000	77,329,000	79,207,000
RECURRING SUBSIDY FUNDING	107,982,161	108,690,681	122,389,765	126,868,000	132,506,000	138,280,000	144,376,000
TOTAL RECURRING REVENUES	179,172,603	180,669,242	195,741,121	201,290,000	208,017,000	215,609,000	223,583,000
BASE COMBINED OPERATOR TRANSPORTATION SERVICES	180,267,333	182,118,952	188,254,339	194,831,000	201,645,000	216,961,000	224,549,000
MISSION VALLEY EAST START UP SERVICE	2,608,625	2,608,625	8,075,039	8,358,000	8,650,000	-	-
ADMINISTRATIVE EXPENSES	6,583,000	7,228,020	5,360,308	5,505,000	5,658,000	6,508,000	6,699,000
OTHER ACTIVITIES	1,178,262	1,178,262	928,041	961,000	994,000	1,029,000	1,065,000
OPERATING EXPENSES	190,637,220	193,133,859	202,617,728	209,655,000	216,947,000	224,498,000	232,313,000
RESERVE DEPOSITS	2,548,000	2,198,000	-	1,000,000	1,000,000	1,000,000	1,000,000
SERVICE CUTS	-	-	-	(1,000,000)	(1,035,000)	(1,071,000)	(1,108,000)
TOTAL RECURRING EXPENSES	193,185,220	195,331,859	202,617,728	209,655,000	216,912,000	224,427,000	232,205,000
ANNUAL RECURRING EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	(14,012,617)	(14,662,617)	(6,876,607)	(8,365,000)	(8,895,000)	(8,818,000)	(8,622,000)
NON RECURRING REVENUES	14,359,704	15,009,704	7,126,607	4,761,000	4,941,000	-	-
NET DEBT SERVICE/LEASE LEASEBACK REVENUE/(EXPENSE)	(347,087)	(347,087)	(250,000)	-	-	-	-
ANNUAL EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	-	-	0	(3,604,000)	(3,954,000)	(8,818,000)	(8,622,000)

DESCRIPTION OF LONG-TERM DEBT AND OTHER FINANCING AGREEMENTS

OVERVIEW

MTS is involved with seven different financing agreements for a variety of purposes. These are funded in a variety of manners and cover varying time frames. They are described in greater detail below.

- The MTS Tower is essentially a long-term building lease.
- Two light rail vehicle (LRV) lease transactions yielded a profit in exchange for tax advantages to investors. The revenues and expenses are covered in a back-to-back manner.
- The Regional Transit Management System (RTMS) and Automated Fare Collection (AFC) obligations are largely classic asset financing. The funding comes from Federal Section 5307 funds, State Transportation Improvement Program (STIP), and Transportation Development Act (TDA) funds used to match. As these funds are spent to service debt, they reduce the funds available to pay for future capital projects for their duration.
- Pension obligation bonds are essentially an arbitrage strategy exchanging unfunded pension obligations for bonds. As the investment assumption in the pension fund is 8 percent (until recently 8½ percent) and the bonds carry a blended rate of approximately 5 percent, the pension obligation bonds ease the large burden associated with these obligations.
- MTS also has also issued revenue anticipation notes (RANs). These short-term notes are a form of cash-flow financing until Federal capital funds are received (typically in October).

CAPITAL LEASES

1. MTS Tower

The County of San Diego has a master lease agreement with San Diego Regional Building Authority (SDRBA) for the lease of the MTS Tower building (SDRBA owns the building. MTS entered into a sublease agreement with the County of San Diego for a portion (27.61 percent) of the MTS Tower building. MTS pays 27.61 percent of the debt-service costs as its share (essentially a lease payment).

Debt service for MTS's 27.61 percent share is \$846,000 for FY 2006. Debt service payments run through 2019. This annual expense is offset to some degree by \$335,000 received from the



ground-floor tenants and parking structure revenue. This is for the space utilized by the County of San Diego between MTS's 27.61 percent share of the building and the two floors occupied by MTS. Functionally, this expense of \$846,000 is budgeted with administrative expenses as a rent expense. While there is no directly tied funding source for this money, 10 percent of TDA administrative funds cover administrative activities such as this.

FINANCE OBLIGATIONS

2. 1990 LRV Sale/Leaseback

In fiscal year 1990, MTS entered into an agreement to sell 41 LRVs and simultaneously entered into a lease agreement with the purchaser to lease them back. MTS received proceeds of approximately \$52.3 million, of which it used approximately \$46.4 million to prepay future lease payments. This prepayment amount covers lease payments through the year 2004 and into 2005. MTS invested \$3,680,449 of the proceeds into government zero-coupon bonds. These bonds mature at values sufficient to cover all remaining lease payments due under the lease agreement as well as amounts necessary to exercise repurchase options. On June 30, 1990, MTS exercised its option to repurchase the vehicles.

The debt service for FY 2006 is \$2,703,932 and is funded by escrowed investments, as described above.

3. 1995 LRV Lease/Leaseback

In fiscal year 1996, MTS entered into a master lease to lease 52 LRVs to an investor and simultaneously entered into a lease agreement with the purchaser to lease them back. MTS received prepayments of the master lease from the investor of approximately \$102.7 million, of which it used approximately \$90.7 million to place two investments to be used to make interest and principal payments on the finance obligation. MTS placed \$78.8 million in a fixed rate deposit and invested \$11.9 million in government zero-coupon bonds. The interest earned on the deposit, together with the principal amount of the deposit and the maturities of the zero-coupon bonds, is sufficient to cover the amounts due under the finance obligation.

The debt service for FY 2006 is \$7,597,895 and is funded by escrowed investments, as described above.

For the above lease transactions, MTS is obligated to insure and maintain the equipment. The lease agreements also provide for MTS's right to continued use and control of the equipment. MTS has also agreed to indemnify the lessor from any taxes imposed by United States taxing authority.

4. San Diego Regional Transit Management System (RTMS)

In fiscal year 2003, MTS issued \$17,485,000 in Certificates of Participation (COPs) through the California Transit Finance Corporation for the purpose of financing a regional transit radio communications project. The COPs pay interest at rates ranging from 2 percent to 3 percent and mature on December 1, 2007.

Debt service for FY 2006 is \$3,831,225 and is funded by Federal Section 5307 funds and matching TDA funds.

5. Automated Fare Collection System (AFC)

In fiscal year 2004, MTS issued \$32,850,000 of COPs through the California Transit Finance Corporation for the purpose of financing a regional fare collection system project. The COPs pay interest at rate ranging from 2 percent to 3 percent and mature on December 1, 2009.

Debt service for FY 2006 is \$7,557,585 and is funded by Federal Section 5307 funds and matching TDA funds.

6. Pension Obligation Bonds

In October 2004, MTS issued \$77,490,000 of pension obligation bonds (POBs) for the purpose of funding 85 percent of the unfunded pension liability of San Diego Transit Corporation (SDTC) in addition to its FY 05 Normal Cost Reimbursement. This debt is of two parts: the first part encompasses Series A fixed-rate bonds (\$38,690,000) composed of serial bonds and term bonds. Principal maturities are from 2005 to 2033 with interest rates from 2.58 percent to 5.15 percent payable semiannually; the second part encompasses Series B variable rate bonds (\$38,800,000). The principal maturities are 2023 to 2033 with interest pegged at the ten-year average of the one-month (London Interbank Offered Rate (LIBOR) (currently averaging 2½ percent) payable monthly. The variable bonds can be redeemed.

Debt service for FY 2006 is \$4,953,269. This amount is budgeted and shown within MTS's debt service; however, it is being charged to SDTC, which budgets it as a fringe benefit (pension) cost. While there is no directly tied funding source, funding comes from a variety of sources as does the funding for SDTC and other operators, including TDA funds, State Transit Assistance (STA) funds, Federal Section 5307 preventative maintenance funds, etc.

7. Revenue Anticipation Notes

MTS issued \$13,000,000 of RANs due January 2006. The purpose is to provide sufficient cash flow due to the timing of receipt of Federal grant funds (typically in October); interest is 3.5 percent.

Schedule

Attachment A is a schedule of debt service payments from FY 2006 – FY 2034.

Policy Notes

The LRV lease transactions are back-to-back so revenue equates to expense and, thus, there is no policy issue, merely accounting transactions and presentation confusion.

The MTS Tower lease works out to a net \$510,000 rent payment (exclusive of common area maintenance charges).

The pension obligation bonds shift money from pension expense to debt expense at a lower rate structure to help ease this large burden. Inclusive of this debt service, pension costs for MTS for FY 2006 will be \$12.5 million. This is 5.5% of the total proposed operating expenses of \$227 million.

The RTMS and AFC do have an impact. A decision was made by the Board of Directors that these projects could not or should not wait for capital funding, and debt was authorized to procure these assets. As such, \$9.7 million through 2008 will go for debt associated with the RTMS system, and \$31.8 million through 2010 will go for debt associated with the AFC system. This will consume \$41.5 million of Federal 5307 and TDA funds through 2010.

JGarde
MAY12-05.2a.ATT-M.LMARINESI
5/5/05

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
DEBT SERVICE
FISCAL YEARS 2006 - 2034**

	1990 LRV Leaseback (1)	1995 LRV Leaseback (2)	2002 RTMS (3)	2003 AFC (4)	MTS Tower (5)	2004 Pension Obligation (6)	Revenue Anticipation Notes (7)	Total
2006	2,703,932	7,597,895	3,831,225	7,557,585	846,165	4,953,269	250,000	27,740,071
2007	9,351,411	7,594,497	3,828,000	7,542,180	847,778	4,953,263		34,117,128
2008	3,823,397	7,591,297	2,042,050	7,022,812	847,750	4,951,836		26,279,142
2009		7,587,852		7,005,350	847,005	4,954,248		20,394,454
2010		7,584,141		2,712,350	843,070	4,955,167		16,094,728
2011		7,580,145			864,123	4,959,707		13,403,975
2012		7,575,842			833,027	4,957,948		13,366,817
2013		7,571,208			851,210	4,955,128		13,377,547
2014		7,566,218			839,372	4,956,210		13,361,800
2015		5,689,623			852,061	4,956,428		11,498,111
2016		8,945,703			834,128	4,954,393		14,734,224
2017		10,162,130			842,211	4,955,212		15,959,553
2018		9,513,891			846,378	4,955,828		15,316,097
2019		9,489,851			820,608	4,955,999		15,266,458
2020		9,796,588				4,956,402		14,752,990
2021		11,421,713				4,956,343		16,378,056
2022		11,733,949				4,959,074		16,693,023
2023		12,187,974				4,959,209		17,147,183
2024		12,158,288				4,964,437		17,122,725
2025		12,126,319				4,964,956		17,091,275
2026		1,411,944				4,909,794		6,321,738
2027						4,947,664		4,947,664
2028						4,976,271		4,976,271
2029						4,995,616		4,995,616
2030						5,005,699		5,005,699
2031						4,908,858		4,908,858
2032						4,905,048		4,905,048
2033						4,989,638		4,989,638
2034						1,642,181		1,642,181

Metropolitan Transit System Finance Workshop

MTS Board of Directors Meeting
May 12, 2005



Finance Workshop Agenda

- Review of MTS Operational Issues
- FY 2006 Overview
- FY 2006 Revenue Review
- FY 2006 Expense Review
- Five Year Forecast



FY 2006 Operational Issues

- JARC / APCD Revenue and Related Service
- Operational Efficiencies (COA Phase I)
- BRT Funding



Jobs Access Reverse Commute (JARC) / Air Pollution Control District (APCD) Revenue / Service

	Net Operating Subsidy
Four Routes	
Otay Mesa Jobs Access	480
Mid-City Reverse Commute	470
Poway Reverse Commute	172
Sorrento Valley Coaster Connection	755
Total Budgeted Net Operating Subsidy	1,877
Funding	
TDA	475
Federal 5307	208
JARC Carryover	37
JARC	524
APCD	633
Total Funding Needed	1,877
JARC/APCD funding in jeopardy	1,157



JARC/APCD Recommendation

- Attempt to secure funding for services / budget assumes APCD / JARC funding
- If funding cannot be secured, explore alternatives for FY 2006 mid-year adjustment
- Review JARC / APCD related routes as part of the Operational Efficiencies (COA Phase II)



Operational Efficiencies (COA Phase I)

- Board approved COA Phase I on April 28, 2005
- Estimated annualized net operating subsidy savings budgetary impact - \$4.0 million
- Implementation of efficiencies primarily take place in September 2005. FY 2006 budgetary impact of efficiencies = 3/4 of the fiscal year.
- Operational Efficiencies reflected within fiscal year 2006 budget.
- FY 2006 budgetary impact is \$2.85 million



BRT Funding

- Non-recurring BRT funds available due to changes within the BRT program due to passage of TransNet = \$4,414,000.
- Received guidance from MTS Board to utilize amount needed from BRT proceeds to balance the fiscal year 2006 budget.
- BRT usage to balance the FY 2006 operating budget = \$2,371,000
- BRT funding to be applied to capital needs = \$2,043,000

Formal Recommendation

- Utilize the amount needed to balance the FY 2006 budget and release the balance to the Capital Improvement Program.



SAN DIEGO METROPOLITAN TRANSIT SYSTEM FY 2006 OPERATING BUDGET OVERVIEW (in 000's)

	FY 2005 AMENDED BUDGET	FY 2006 PROPOSED BUDGET	\$ VARIANCE	% VARIANCE
Fare Revenue	68,912	70,582	1,670	2.4%
Other Revenue	3,066	2,769	(297)	-9.7%
Total Operating Revenue	71,979	73,351	1,373	1.9%
Subsidy *	135,894	151,207	15,313	11.3%
Total Revenue	207,872	224,558	16,686	8.0%
Total Expenses	207,872	224,558	16,686	8.0%
Net Operating Subsidy	0	-	(0)	-

* Utilizes \$4.58M in CMAQ Revenue and \$2.37M in BRT Revenue in FY 2006 Proposed Budget



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

FY 2006 Revenue

in (000's)

	Projected FY 2005	Budget FY 2006	Variance	Variance Percentage
Passenger Revenue	68,912	70,582	1,670	2.4%
Advertising Revenue	740	700	(40)	-5.4%
Contract Service Revenue	25	25	-	0.0%
Other Income	2,301	2,044	(257)	-11.2%
Total Operating Revenue	71,979	73,351	1,373	1.9%
Total Subsidy Revenue	135,894	151,207	15,313	11.3%
Total Revenue	207,872	224,558	16,686	8.0%



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

FY 2006 Expenses

in (000's)

	FY05 Adj Amended Exp Budget	FY 2006 Proposed Exp Budget	Diff	% Var
Combined Operations	177,372	180,517	3,146	1.8%
Combined Other Operations	1,115	901	(214)	-19.2%
Combined Administrative	12,039	13,124	1,085	9.0%
Subtotal Base Operations	190,526	194,543	4,017	2.1%
Rail Operations - MVE	2,608	7,452	4,844	185.7%
Combined Admin - MVE	-	623	623	0.0%
Subtotal MVE	2,608	8,075	5,467	209.6%
Subtotal Debt Service	12,540	21,941	9,400	75.0%
Subtotal Reserve (Insurance)	2,198	-	(2,198)	-100.0%
Combined Grand Total	207,872	224,558	16,686	8.0%



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATING BUDGET

FIVE YEAR PROJECTIONS - SUMMARY

in (000's)

	Proposed Budget FY 2006	Projected FY 2007	Projected FY 2008	Projected FY 2009	Projected FY 2010
Total Recurring Revenues	195,741	201,290	208,017	215,609	223,583
Total Recurring Expenses	202,618	209,655	216,912	224,427	232,205
Non Recurring Revenues	7,127	4,761	4,941	-	-
Net Debt Service	(250)	-	-	-	-
Net Operating Subsidy	0	(3,604)	(3,954)	(8,818)	(8,622)



Next Budget Meeting:

June 9, 2005

Public Hearing

and

Board Adoption



Metropolitan Transit System Finance Workshop

MTS Board of Directors Meeting
May 12, 2005



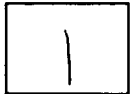
SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.



ORDER REQUEST RECEIVED



****PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT) TO THE CLERK OF THE BOARD PRIOR TO DISCUSSION OF YOUR ITEM****

⑧ 8:05

1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Board (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Board authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.

Date _____
Name (PLEASE PRINT) Steve Alcock
Address 10395 J.D. Mission Rd
Telephone 5631309
Organization Represented (if any) _____

Subject of your remarks: Budget

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At Public Hearings of the Board, persons wishing to speak shall be permitted to address the Board on any issue relevant to the subject of the Hearing.

3. DISCUSSION OF AGENDA ITEMS

The Chairman may permit any member of the public to address the Board on any issue relevant to a particular agenda item.

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each, under the Public Comment Agenda Item. Additional speakers will be heard at the end of the Board's Agenda.

****REMEMBER: Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.****



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 6

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 920.05 (PC 30207)

May 12, 2005

SUBJECT:

MTS: RURAL BUS MAINTENANCE SERVICES CONTRACT - EXERCISE
CARRYOVER MONTHS

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to exercise the three carryover months allowable under the current contract (MTS Document No. B0374.2-03 – Attachment A) with Laidlaw Transit Services, Inc., for rural bus maintenance and support services. The extension of the carryover months would run from July 1, 2005, through September 30, 2005.

Budget Impact

Exercising three carryover months would result in an estimated cost of \$76,000. This amount has already been budgeted for FY 06. Rates would remain the same as they currently are in FY 05.

DISCUSSION:

Exercising three carryover months ensures sufficient time at the current prices to allow a public solicitation of competitive bidders for this service.

Laidlaw provides regular maintenance service on 16 MTS-owned vehicles:

- 8 midsize buses – El Dorado National Transmark-RE-32s
- 8 mini buses – El Dorado National AeroTech 220 Type II




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Per MTS Document No. B0374.1-03, MTS has the sole option of exercising up to three carryover months, either individually or collectively, after the term of this contract has ended (see the following paragraph taken from page 8 of the contract).

ARTICLE 1 TERM OF AGREEMENT

- 1.1 *Carryover Periods (One to Three Months).* The services may be extended in one or more increments for a total of no less than one (1) nor more than three (3) calendar months at the discretion of the MTS Multimodal Operations' Director. The most recent rates set forth in the pricing section shall apply to any extension made pursuant to this monthly option provision unless a provision for appropriate price adjustment has been made elsewhere in this contract. All payments are subject to General Terms and Conditions, Article titled "AVAILABILITY OF FUNDING."



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Susan Hafner, 619.595.3084, Susan.Hafner@sdmts.com

JGarde
MAY12-05.6.RURALBUS.JPEREZ
4/26/05

Attachment: A. Doc. No. B0374.2-03



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX 619.234.3407

May 12, 2005

DRAFT

Att. A, AI 6, 5/12/05, OPS 920.5

MTS Doc. No. B0374.2-03
OPS 920.5 (PC 30207)

Ms Susan Spry
Area Vice President
Laidlaw Transit Services, Inc
15260 Ventura Boulevard, Suite 1050
Sherman Oaks, CA 91403

Dear Ms. Spry:

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. B0374.0-03; MAINTENANCE AND VEHICLE
CLEANING SERVICE

In accordance with Article 1.3, "Carryover Periods - The service may be extended in one-month or more increments, for a total of no less than one nor more than three calendar months at the end of the base term of our original agreement," MTS amends the contract in regard to the following:

- 1.1 Base Term of the Agreement. The base term of the agreement shall be January 1, 2005, through September 30, 2005, a 3-month period.

PAYMENT

Exercising the three-month carryover period will result in an estimated cost not to exceed \$76,000.

All other terms and conditions remain unchanged. Please sign below and return the document marked "Original" to the Contracts Specialist at MTS. The other is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Susan Spry
Laidlaw Transit Services, Inc.

CL-LTS Rural Maint
JPerez- B0374.2-03

Date: _____

A-1



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 7

Joint Meeting of the Board of Directors
Metropolitan Transit System,
San Diego Trolley Incorporated, and
San Diego Transit Corporation

OPS 970 (PC 30102)

May 12, 2005

Subject:

MTS: HISTORIC AUSTRIAN (VIENNA) STREETCAR VEHICLES

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute an agreement to transfer ownership and possession of three Austrian vintage streetcar vehicles to the San Diego Electric Railway Association (SDERA) in accordance with Policy No. 33 (Attachment A).

Budget Impact

None.

DISCUSSION:

In 1992, the Board of Directors approved a proposal to accept three historic Vienna streetcars from a museum in Austria. The vehicles were built in 1925, but nonoperational when received at MTS.

At the time, there was interest on the part of the Board to consider acquiring the vehicles for a vintage trolley operation through the downtown San Diego area. Siemens/Duewag located three historic streetcars in the Museumbahn Mariazell-Earlaufec, and Starboard Development Company (Starboard) (developers of the James R. Mills Building) offered to underwrite the cost with Siemens/Duewag to transport the cars to the United States.



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.


Except for the shipping slip (Attachment B), there was no evidence of any documentation verifying the ownership of the vehicles being transferred to MTS. Some time after the vehicles arrived in San Diego, Jack Limber (previous General Counsel) transmitted a letter to Starboard offering to vest title in the Vienna streetcar vehicles in Starboard's name since Starboard had paid for the vehicles to be shipped to San Diego (Attachment C). Starboard never responded to the offer, and the vehicles remained in the San Diego Trolley, Inc. (SDTI) Yard.

After the vehicles arrived in San Diego, they were covered in order to protect the units against the elements. Upon arrival in San Diego, the cars were nonoperational and in poor condition with many major components missing or in a state of disrepair (reference Attachments D-F).

The initial plan to operate a vintage trolley operation through downtown San Diego and the Gaslamp area never progressed beyond the conceptual stage. Funding and other local/regional issues; i.e., Centre City Development Corporation (CCDC) Gaslamp Park and redevelopment plans posed far too many obstacles to warrant further consideration. Moreover, it was also determined that the vehicles could not physically operate on the trolley alignment due to axle length and a single truck wheel assembly.

The vehicles have been in the yard since 1993 and, despite being covered, they continue to deteriorate to a point where they have little or no value. It is for this reason that staff has been working with the SDERA to determine the best method of transferring the vehicles for restoration at some point in the future.

Staff recommends executing an agreement to transfer ownership and possession of the three Austrian vintage streetcar vehicles to SDERA.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Peter D. Tereschuck, 619.595.4902, peter.tereschuck@sdti.sdmts.com

JGarde
MAY12-05.7.PTERES
3/30/05

Attachments: A. Policy No. 33
B. Shipping Slip
C. Letter from Jack Limber
D. Photo
E. Photo
F. Photo

Policies and Procedures

No. **33**

Subject:

Board Approval: 3/25/04

CAPITAL ASSET DISPOSAL

PURPOSE:

To establish guidelines and procedures for the disposal of MTDB capital assets.

BACKGROUND:

MTDB has various capital assets which, over time, will become obsolete due to normal use and wear, or new technology, and require disposal. Laws governing the purchase of such assets require the use of a competitive procurement process. Likewise, the disposal or sale of property purchased with public funds should be done so in an open competitive process. In the past, the County of San Diego Public Auction was primarily utilized to dispose of such property. This policy would allow MTDB various disposal options and establish guidelines and procedures.


It is the policy of the San Diego MTDB to capitalize assets with a unit purchase value of \$5,000 or more. This policy shall ensure that when it is required to dispose of such assets, it be done in a manner which is in the best interests of the Board, within the standards and procedures set forth.




PROCEDURES:

- 33.1 Methods. The method of disposal must be approved by the MTD Board of Directors for capital assets with a depreciated value of \$25,000 or more. For assets valued under \$25,000, the Chief Executive Officer may authorize disposal and the method. In either case, such methods may include, but not be limited to, the following:
- (a) Trade-in allowance - provided that an independent appraisal is conducted to determine the value, or an analysis is conducted which certifies that the sale price is fair and reasonable.
 - (b) Use of other government agency-sponsored competitive auctions, such as the County of San Diego.
 - (c) Competitive sale.
 - (d) Negotiated sale.
 - (e) Use of Internet Auction sites, such as E-bay.

Member Agencies:

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and the  Taxicab Administration

Subsidiary Corporations:  San Diego Transit Corporation,  San Diego Trolley, Inc., and  San Diego & Arizona Eastern Railway Company

For personal trip planning or route information, call 1-800-COMMUTE or visit our web site at sdcommute.com

33.2 Competitive Sale. Under a competitive sale, the following procedures must be followed:

- Notification to the public. This would include, at a minimum, the placing of an advertisement in a newspaper(s) of general circulation. The ad must specify the item(s) to be sold, the condition and the terms for the sale, and the date/time/place sealed bids are to be received.
- All bids must be sealed.
- Prospective bidders may be afforded an opportunity to view the item(s) being disposed.
- Award. The award shall be to the highest responsive, responsible bidder.

33.3 Negotiated Sale. Capital assets with an individual value in excess of \$10,000 or an aggregate value in excess of \$25,000 may be disposed of on a negotiated sale basis provided a finding by the MTD Board of Directors by a two-thirds vote that special circumstances exist that make it in the best interest of the Board. Such circumstances may include the following:

- (a) Unique item(s) may have a limited resale market.
- (b) The financial interest of MTDB would be best served by negotiation.
- (c) In the case of used buses, the Board shall give specific direction on the method of disposal to be followed on a case-by-case basis considering potential financial return and available alternatives, including the sale for scrap or other nonoperating purposes to avoid use of the vehicles and resultant air pollution in California and the San Diego region. A method of disposal may be approved even though the financial benefit may be less than other methods of disposal.
- (d) If approved, the Chief Executive Officer may be authorized to negotiate a sale price.

33.4 Internet Auction.

- (a) Notification to the public. Place the item up for bid on a publicly accessible web site such as E-bay consistent with auction requirements and MTDB policies and procedures.
- (b) Prospective bidders will be afforded an opportunity to view the item(s) being disposed.
- (c) Award. The Chief Executive Office is authorized to negotiate the sale price. The award shall be to the highest responsive, responsible bidder.

- 33.4 Ineligible Participants. MTDB, SANDAG, SDTC, and SDTI employees, Board members and members of their immediate family may not participate in a competitive or negotiated sale of MTDB capital assets.
- 33.5 Federal Grant Funded Assets. Capital assets which have been purchased with federal capital grant funds must be disposed of in a manner consistent with the Federal Transit Administration (FTA) regulations. The proceeds from such disposal shall be distributed in the percent of which was provided for the original purchase. The local share should be returned to MTDB for deposit in the appropriate capital depreciation account.
- 33.6 Fully Depreciated Capital Assets. Capital assets with a depreciated asset value of less than \$1,000 may be disposed of by the least costly, most efficient method as determined by the Chief Executive Officer. For audit purposes, a memorandum must be filed which certifies the depreciated value of the asset and indicates the method of disposal (i.e., trash, destruction).
- 33.7 Capital Depreciation Account. The proceeds from the sale of any capital asset shall be returned to MTDB to be credited to the appropriate depreciation reserve account.

Ddarro/SChamp
POLICY.33
3/25/04

Original Policy approved on 10/20/88.
Policy revised on 7/26/90.
Policy revised on 10/31/96.
Policy revised on 10/31/02.
Policy revised on 3/25/04.

SHIPPER HAPAG-LLOYD AUSTRIA ON BEHALF OF MTDB 1255 IMPERIAL AVENUE SAN DIEGO, CA USA		DOCUMENT ECB#: HLCU231213849 REFERENCE NO. Att. B, AI 7, 5/12/05, OPS 970																																					
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MTDB

Metropolitan Transit Development Board



1255 Imperial Avenue, Suite 1000
 San Diego, CA 92101-7490
 (619) 234-4466
 FAX (619) 234-3407

January 5, 1993

G-L 2

Mr. Brad Saunders
 Starboard Development Company
 1202 Kettner Boulevard, Fifth Floor
 San Diego, CA 92101-3338

Dear Brad:

Subject: AUSTRIAN HISTORIC VEHICLES

On behalf of the San Diego Metropolitan Transit Development Board, I wish to extend our sincere appreciation to you for bringing to San Diego three Type N1 Austrian vehicles offered by the Museumsbahn Mariazell-Erlaufgec. As we had discussed last spring, MTDB was unable to accept the museum's offer due to budget constraints which precluded us from incurring shipping and duty expenses in excess of \$60,000. Your willingness to underwrite the transportation and customs costs to bring these historic vehicles to San Diego was then, and is now, most appreciated and, therefore, we hereby assign any and all ownership interest MTDB may have in these Type N1 vehicles to Starboard Development Company. Your follow-through in coordinating the shipping and import of these vehicles, along with their appraisal and insurance, has made a good idea into a reality. We are pleased to provide temporary storage for your three N1 vehicles in our yard, and look forward to working with you and others to formulate a plan for their restoration and possible future operation in San Diego. Your commitment in May has resulted in a wonderful Christmas present for San Diego!

Sincerely,

Jack Limber
 General Counsel

JPL:lst/ky
 L-SAUND.JPL

Member Agencies:

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and is Regulatory Authority for Paratransit Administration

Subsidiary Corporations: San Diego Transit Corporation, San Diego Trolley, Inc. and San Diego & Arizona Eastern Railway Company

C-1









1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX: 619.234.3407

Agenda

Item No. 8

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 920.5 (PC 30118)

May 12, 2005

Subject:

MTS: SORRENTO VALLEY COASTER CONNECTION/SORRENTO VALLEY
CALTRANS MITIGATION SERVICES CONTRACT - EXERCISE CARRYOVER
MONTHS

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to exercise up to six carryover months allowable under the current contract (MTS Document No. B0369.2-03) with Laidlaw Transit Services, Inc. (Laidlaw) for Sorrento Valley Coaster Connection services. The extension of the carryover months would run from July 1, 2005, through December 31, 2005 (Attachment A) and would be awarded contingent upon funding from the Air Pollution Control District (APCD).

Budget Impact

Exercising up to a six-month carryover period would result in an estimated cost of \$458,526. This amount has been budgeted for FY 06. Rates would remain the same as they currently are in FY 05. Exercising the carryover months would save the agency money by operating under the current rates. Staff is currently working with the APCD to seek continuation of existing funding.

DISCUSSION:

The Sorrento Valley Coaster Connection consists of ten routes that serve the business park area of Sorrento Valley. This is a complementary service that started in 1995 in an effort to help relieve traffic congestion in the area. Passengers use the shuttle service, which they board and alight at the Sorrento Valley Coaster Station, to get to their places of employment. This service is funded in part with APCD, the California Department Transportation (Caltrans) mitigation funds, and other federal, state, and local funds as



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MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

well. The contract with Laidlaw is due to expire as of June 30, 2005. Within the contract, there is a provision for up to six 1-month carryover periods until December 31, 2005.

Staff is recommending exercising up to six 1-month carryover periods to allow for maximum flexibility as well as to continue the existing cost per service hour.

It is staff's intention to begin a competitive procurement process for these services in late summer to provide for seamless service continuation after the end of this contract term.

Per MTS Document No. B0369.2-03, MTS has the sole option of exercising up to six carryover months, either individually or collectively after the term of this contract has ended (see the following paragraph taken from page 11 of the contract).

ARTICLE 9 TERM OF AGREEMENT

B. CARRYOVER TERM

In consideration of the herein agreement, Contractor hereby grants to MTS the options, exercisable in writing solely by MTDB's General Manager. MTDB shall have the option to extend the service provided by Contractor under this agreement for six consecutive one-month periods after the base term. Compensation related to such carry-over periods shall be the same compensation as for the last 12-month period of the agreement. If MTDB desires to exercise any of these carry-over months, MTDB shall notify Contractor of its intent at least 60 calendar days before the option is to begin.

In accordance with the above paragraph, it is the recommendation of staff to exercise six carryover months beginning on July 1, 2005, through December 31, 2005, contingent upon receipt of funds from APCD. All other contractual conditions will remain unchanged.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Susan Hafner, 619.595.3084, susan.hafner@sdmts.com

DTarankow
MAY 05.10.STRANSUE
3/29/05

Attachment: A. MTS Doc. No. B0369.2-03



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
(619) 231-1466 • FAX (619) 234-3407

May 12, 2005

DRAFT

MTS Doc. No. B0369.3-03
OPS 920.5 (PC 30118)

Ms. Susan Spry
Area Vice President
Laidlaw Transit Services, Inc.
15260 Ventura Boulevard, Suite 1050
Sherman Oaks, CA 91403

Dear Ms. Spry:

Subject: AMENDMENT NO. 3 TO MTS DOC. NO. B0369.0-03 FOR SORRENTO VALLEY
COASTER CONNECTION SERVICES

This shall serve as our agreement for professional services as further described below.

SCOPE OF SERVICES

Continue to provide Sorrento Valley Coaster Connection/Sorrento Valley California Department Transportation (Caltrans) mitigation services pursuant to the original terms and conditions of the contract during six carryover months. This amendment will authorize six carryover months of service.

SCHEDULE

Work shall begin July 1, 2005, and continue through December 31, 2005. However MTS may only choose to exercise carryover months at its discretion based on available funding one month at a time.

PAYMENT

Payment shall be based upon the original contract rates under the fifth year per page 11 of the original contract. Rates will remain at \$41.12 per revenue hour operation of an MTS-owned minibus and \$49.04 per revenue hour operation of a contractor-owned minibus. The total cost for the additional six months of service is expected to be \$458,526. All other contractual conditions remain unchanged. If you agree with the above, please sign below and return the copy marked "original" to the Contracts Specialist at MTS. The other copy is for your records.

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Susan Spry
Laidlaw Transit Services, Inc.

MAY12-05.ATTA.SVCC.STRANSUE
4/27/05

Date: _____





1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX: 619.234.3407

Agenda

Item No. 30

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

CIP 11481

May 12, 2005

Subject:

MTS: I-15 BUS RAPID TRANSIT OPERATIONS

RECOMMENDATION:

That the Board of Directors adopt Resolution No. 05-03 (Attachment A) reaffirming its interest in and authority to provide service for Interstate 15 bus rapid transit operations.

Budget Impact

None at this time; however, the BRT Managed Lanes Project's operating funds are included in the TransNet extension.

Executive Committee Recommendation

At its meeting on May 5, 2005, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

At a recent San Diego Association of Governments (SANDAG) Transportation Committee meeting, SANDAG staff stated that a decision regarding who would operate the I-15 BRT Project had not been finalized due to cost-efficiency considerations. There have also been discussions between SANDAG staff and North County Transit District (NCTD) staff about NCTD operating the I-15 BRT Project.



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

Staff is bringing this issue to the Executive Committee and MTS Board as it is inconsistent with MTS operating authority and has a potential significant impact on the amount of direct authority that the MTS Board would have in establishing the operating parameters and service quality standards of the system.

The justification for having MTS provide these new services is as follows:

1. Policy - The MTS Board would not be directly involved in making service allocation and quality decisions regarding this route. For example, a Rancho Penasquitos resident would not be contacting the MTS Board to provide input.
2. Network Versus Individual Routes – We need to plan the system as a network, not as a group of individual routes. The success of the I-15 BRT is contingent upon good coordination and integration with the feeder/distributor routes that serve it, which would be provided by MTS. Having MTS operate the I-15 service would promote better schedule coordination and more efficient on-street supervision to help provide a seamless system to our customers. It would also be consistent with our current practice.
3. Operational Efficiencies - There are a number of existing services already operating in the I-15 corridor from Rancho Bernardo, Escondido, Poway, Scripps Ranch, Kearny Mesa, and the trolley, which would need to be reconfigured or rescheduled to integrate with I-15 BRT services. I-15 services need to be considered as part of a corridor of transit services operating in compliment to maximize efficiency and productivity. Since BRT would likely be all-day service, Americans with Disabilities Act (ADA) services along the corridor would also be impacted.

One of the greatest benefits of BRT versus rail is the flexibility in how to operate the service. However, if one agency operates the trunk line up and down I-15 and another agency operate the feeder/distributor services we would be confining ourselves to a pure trunk/feeder system. With one agency providing both the trunk and feeder services, we would have flexibility in the way we provide service along the corridor (e.g., linking some of the trunk services with segments of the feeders/distributors where and when it makes sense, similar to what is done now with MTS linking its service at the North County Transit Center). We would also have the opportunity for interlining to allow for more efficient operations along the corridor.

4. Customer Service – Since people would most likely use the trunk service in conjunction with a distributor route, having different agencies operating each of these services results in confusing customer service and board representation. For example, if schedules were not coordinated, it would not be clear which agency would be responsible for changing its schedules to accommodate the transfer, or which agency/board should be contacted to file the complaint.
5. Nearly all of the land purchased for the BRT stations is owned by MTS.
6. The vast majority of I-15 BRT service is within MTS's current service area.

7. Precedence may be set for potential cherry picking of productive routes while leaving costlier services without the offset of more productive revenue-producing routes.

In summation, assigning the I-15 BRT service to another operator is not consistent with the current MTS direction of service centralization. Further legislative clarification may be necessary to avoid future conflicts over service boundaries.

Staff is recommending that the Board approve Resolution No. 05-03 granting the authority to provide service for Interstate 15 bus rapid transit operations and forward a resolution to the for approval.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Paul Jablonski, 619.557.4583, paul.jablonski@sdmts.com

JGarde
MAY12-05.30.I-15BRT.JABLO
5/4/05

Attachment: A. Resolution No. 05-03

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD

RESOLUTION NO. 05-03

Resolution of the Board of Directors of the San Diego Metropolitan Transit System Reaffirming Its Interest in and Authority to Provide Service for Interstate 15 Bus Rapid Transit Operations

WHEREAS, the I-15 Bus Rapid Transit (BRT) Project was originally conceived, planned, and financed by the MTS Board and subsequently transferred to the San Diego Association of Governments (SANDAG) following the enactment of Senate Bill 1703; and

WHEREAS, the I-15 BRT service corridor is primarily located within the Metropolitan Transit System's (MTS's) service area; and

WHEREAS, MTS has the primary authority and strong interest to operate the BRT service; and

WHEREAS, the majority of passengers riding this service are anticipated to come from within the MTS service area; and

WHEREAS, the MTS Board of Directors should establish and monitor the operating and service standards of the BRT system consistent with other MTS service in the BRT corridor; and

WHEREAS, the riding public would benefit by MTS operating the BRT service by coordinating with MTS's existing services; and

WHEREAS, MTS owns nearly all of the land purchased for the BRT Project; and

WHEREAS, assigning I-15 BRT service to another operator is not consistent with the MTS service operations centralization effort; and

WHEREAS, contracting the I-15 BRT service with another operator would result in increased costs for both SANDAG and MTS; NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the San Diego Metropolitan Transit System:

1. The Board of Directors of MTS hereby reaffirms its authority and strong interest to provide service for Interstate 15 Bus Rapid Transit operations as the actions contemplated by this Resolution are in the best interests of MTS and residents of the County of San Diego and will result in significant benefits to the patrons of MTS's transit services.
2. This resolution shall take effect immediately upon its adoption at a duly constituted regular or special meeting called for that purpose.

PASSED AND ADOPTED by the Board this _____ day of _____ 2005 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairman
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Office of the Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

JGarde
RES-05-03.I-15BRT.SHAFNER
5/6/05

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

30

ORDER REQUEST RECEIVED

1

****PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT) TO THE CLERK OF THE BOARD PRIOR TO DISCUSSION OF YOUR ITEM****

@8:12

1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Board (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Board authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.

Date 5/12/05
 Name (PLEASE PRINT) STEVE ALCOCK
 Address 10393 SAN DIEGO MISSION RD
 Telephone 563-1309
 Organization Represented (if any) _____

Subject of your remarks: _____

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT



OPPOSITION



2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At Public Hearings of the Board, persons wishing to speak shall be permitted to address the Board on any issue relevant to the subject of the Hearing.

3. DISCUSSION OF AGENDA ITEMS

The Chairman may permit any member of the public to address the Board on any issue relevant to a particular agenda item.

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each, under the Public Comment Agenda Item. Additional speakers will be heard at the end of the Board's Agenda.

****REMEMBER: Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.****



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX: 619.234.3407

Agenda

Item No. 31

Joint Meeting of the Board of Directors for
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

ADM 150.3 (PC 30100)

May 12, 2005

Subject:

MTS: AMENDMENT TO MTS ADMINISTRATIVE CODE GRANTING THE CEO
AUTHORITY TO CHANGE BENEFITS AND CREATE A UNIFIED HUMAN
RESOURCES POLICY MANUAL FOR THE EMPLOYEES OF THE METROPOLITAN
TRANSIT SYSTEM, SAN DIEGO TRANSIT CORPORATION, AND SAN DIEGO
TROLLEY, INC.

RECOMMENDATION:

That the Board of Directors approve an amendment to the MTS Administrative Code,
authorize the Chief Executive Officer (CEO) to modify and unify benefit levels for all
three agencies, and create a unified Human Resources Policy Manual.

Executive Committee Recommendation

At its meeting on May 5, 2005, the Executive Committee recommended forwarding this
item to the Board for approval.

Budget Impact

None.

DISCUSSION:

MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) had
separate Boards of Directors until October 2003. Consistent with the independent status
at the time, all three Boards established different benefit levels (e.g., vacation/sick leave



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MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway,
City of San Diego, City of Santee, and the County of San Diego.

accrual rates, employer contribution toward cost of health care, etc.) to compensate their unrepresented employees.

We now want to unify those benefits to the extent that it is economically feasible and fair to do so.

MTS's enabling legislation requires the Board of Directors to:

"Adopt an administrative code, by ordinance, which shall prescribe the powers and duties of board officers, the method of appointment of board employees, and methods, procedures, and systems of operation and management of the board. The administrative code shall also provide for, among other things, the appointment of a general manager or chief executive officer, and the organization of the employees of the board into units for administration, design and construction, planning and operation, property acquisition, and community relations and such other units as the board deems necessary."

Attached is a copy of the modified Administrative Code needed to satisfy this requirement. MTS's previous Administrative Code contained many sections regarding benefits and other terms and conditions of employment that are not required to be in the Code. This is confusing to employees, as the Code is not a stand-alone policy manual with respect to benefits and conditions of employment. While these sections have been deleted from our proposed Administrative Code, they will be added and expanded upon more appropriately in a unified Human Resources Policy Manual for all three agencies, which will be updated regularly with the CEO's approval.

Moreover, we are proposing a modification to the Administrative Code that would allow employees to accept de minimis gifts (valued at \$50 or less) that are consistent with customary business practices (e.g., polo shirts, pens, golf balls, lunch, etc.) with prior approval by the CEO.

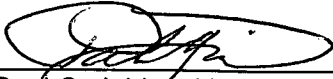
Goals of Benefits Unification

1. To create a system of consistency and fairness by establishing a unified level of benefits for nonbargaining unit employees working for MTS, SDTI, and SDTC;
2. To create a workplace with one identity (MTS) rather than three separate identities;
3. To simplify the administration of benefits. Currently, one Human Resources Department administers the benefits for three separate agencies; and
4. To ensure that MTS, SDTI, and SDTC are competitive with other employers in the San Diego County job market.

Recommendation

Currently, any change to employee benefits or to the Administrative Code must be approved by the Board of Directors. As a matter of efficiency and accountability, we are requesting that the Board amend the Administrative Code, authorize the CEO to modify

and/or unify the benefits levels of all three agencies, and to create a unified Human Resources Policy Manual.



Paul C. Jablonski
Chief Executive Officer

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JGarde
MAY12-05.31.STUMBO
4/21/05

Attachment: A. Draft Amendment to MTS Administrative Code and Regulations

ADMINISTRATIVE CODE AND REGULATIONS

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ADMINISTRATIVE CODE AND REGULATIONS

1. POWERS AND DUTIES OF BOARD OFFICERS

1.1 Board of Directors

The Board members provided for in Public Utilities Code Section 120050.2 shall be known as the San Diego Metropolitan Transit System of Directors, hereinafter "Board of Directors." In addition to such other powers and duties as the Board of Directors may have under the law, it shall conduct an annual evaluation of the performance of the ~~General Manager~~ Chief Executive Officer and discuss such evaluation with the ~~General Manager~~ Chief Executive Officer.

1.2 Chairman

The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be prescribed by this Code or as may be imposed by the Board of Directors, consistent with the duties of the office.

1.3 Vice Chairman

The Vice Chairman shall act for the Chairman in the absence of the Chairman.

2. ORGANIZATION

2.1 Functional Requirements

The Board, acting through the ~~General Manager~~ Chief Executive Officer, shall be organized into functional units as required by Public Utilities Code Section 120105(c). Annually, or more often if circumstances warrant, a table of organization of the employees of the Board shall be prepared and adopted by the Board.

3. METHOD OF APPOINTMENT OF BOARD EMPLOYEES

3.1 Affirmative Action Program

The Board has adopted an Affirmative Action Plan by Resolution No. 79-47, passed and adopted on December 3, 1979.

3.2 General Provisions

3.2.01 It is the policy of the Board to employ on the basis of merit, qualification, competency, and/or applicable professional experience.

3.2.02 There shall be no discrimination against any applicant or employee because of race, religious creed, national origin, color, ancestry, sex, sexual preference, age, disability, or any political or union affiliation.

~~Hereinafter the pronouns he, him, his or their, are used to signify both male and female individuals, and are used only to condense the language of this text, and are not to be construed to be discriminatory against either sex.~~

- ~~3.2.03 — Each employee shall be informed of the personnel policies and practices of the Board and shall be informed in writing of personnel actions regarding his employment. Changes affecting all personnel may be posted.~~
- ~~3.2.04 — Confidential personnel records shall be maintained for each employee. Such other records, including attendance records, shall be maintained as are necessary for personnel administration and to protect the interests of the Board and employees. Medical records shall be maintained in a file separate from personnel records. Employees shall have the right of access to their records at reasonable times. If someone other than the employee seeks access to confidential personnel records, MTDB shall require a subpoena or written verification of employee consent.~~
- ~~3.2.05 — Each employee shall devote his time, attention, and effort to the service and welfare of the Board during working hours. No employee shall engage in any other business or employment without first obtaining the written approval of the General Manager. Outside employment may be approved if it does not interfere with the full and efficient performance of duty at all times, and if there is not a demonstrable conflict of interest between the Board and the outside employment.~~
- ~~3.2.06 — Sufficient cause for disciplinary action shall include, but not be limited to, for reasons of dishonesty, habitual excessive use of alcohol, being under the influence of alcohol or drugs while at work, recklessness on the job, inefficiency, habitual tardiness, absence without leave, misconduct, actions which constitute an unwholesome influence on other employees, unwillingness to perform the normal quality or quantity of work required, failure to obey a reasonable oral or written order, the use of abusive language toward a superior, another employee or the public, conviction for criminal acts, fraudulently obtaining sick leave, violation of specific regulations, violation of work rules, poor job performance, or any other conduct impairing the efficiency of the Board.~~

~~Disciplinary action may take the form of verbal or written admonition, suspension, reduced pay for absence periods, and/or termination by the General Manager with or without pay.~~

~~It is the policy of the Board that progressive discipline procedures be utilized, where appropriate, prior to termination of employment. The progressive discipline system is intended to give employees advance notice, whenever possible, of problems with their conduct or performance in order to provide them an opportunity to correct any problems. Normally progressive discipline involves verbal counseling and one or more written warnings before an employee is terminated. However, exceptions or deviations from the progressive discipline procedure may occur when the General Manager deems that circumstances warrant that one or more steps in the process not be followed. Some circumstances may warrant immediate termination without progressive discipline. Whether progressive discipline will be utilized, and the steps to be used in such procedure, will depend upon individual circumstances and the nature of the infraction.~~

~~An employee may appeal disciplinary action taken against him by submitting a letter stating the reasons for the appeal to the General Manager.~~

~~Prior to the imposition of disciplinary action greater than a five-day suspension, a regular permanent employee shall be entitled to receive a notice of the proposed action, the reasons therefore, a copy of the charges and materials upon which the action is based, and the right to respond either orally or in writing. These procedures are intended to provide the employee the right to present his/her views of the charges and any mitigating circumstances before punitive action is taken.~~

- 3.2.073 No remuneration or favor of any sort shall be accepted or solicited by any employee or member of the Board to influence personnel actions.

Violation of this Section shall result in disciplinary action including termination of any employee by the General Manager.

- 3.2.084 The General Manager Chief Executive Officer is responsible for the administration of the personnel system. He may delegate any such duties to any other officer or employee.

- 3.2.095 The General Manager Chief Executive Officer shall have the authority to appoint, promote, demote, transfer, discipline, and terminate all employees of the organization subject to provisions of this Code and the approved annual budget.

- 3.2.0.6 The Chief Executive Officer shall have the authority to create a Human Resources Policy Manual subject to the provisions of this Code and to set the employment terms, conditions, and benefits for all Metropolitan Transit System, San Diego Trolley, Inc., and San Diego Transit Corporation employees.

- 3.2.10 Any decision of the General Manager or his delegates in regard to the personnel system may be appealed to the Board of Directors.

~~3.3~~ Definitions

- ~~3.3.01 The term "Anniversary Date" marks the point of time from which salary and leave benefits are calculated.~~

~~For salary purposes, anniversary date shall be calculated on the date of entry into a salary rate within the salary range of a position.~~

- ~~3.3.02 Immediate family is limited in meaning to include only husband, wife, children, sister, brother, father, mother, father-in-law, and mother-in-law, or any of the aforementioned step or adoptive relatives.~~

- ~~3.3.03 Regular full-time employee is a person who has been hired on a continuing full-time basis without limitation as to duration of employment, and has successfully completed a one-year probationary period.~~

- ~~3.3.04 — Temporary employee is a person who has been hired to perform a job for a limited period of time, generally not to exceed six months.~~
- ~~3.3.05 — Regular part-time employee is a person who has been hired on a continuing part-time basis (over 20 but less than 36 hours per week) without limitation as to duration of employment or is a person who has been hired as a full-time regular employee who has been authorized to work less than full-time.~~
- ~~3.3.06 — The term "regular employee(s)" refers collectively to regular full-time and regular part-time employees.~~
- ~~3.3.07 — Probationary employee is a regular full-time or a regular part-time employee who has not yet successfully completed a one-year probationary period.~~

3.4.3 Classification Plan

- 3.4.3.01 All positions of employment shall be classified for inclusion in the classification plan. A class consists of all positions sufficiently similar in duties, authority, responsibility, and working conditions to permit grouping under a common title and the application with equity of common standards of selection, appointment, transfer, promotion, and compensation.

The classification plan shall be comprised of the assembled specifications for all classes.

The class specification is a description of a single class. It normally includes:

- a. Definition which states purpose of work and level of responsibility.
- b. Typical tasks.
- c. Employment standards, setting out minimum requirements of education, training, experience, skills, knowledge, and abilities.
- d. As pertinent, a statement of distinguishing characteristics.
- e. Salary Range for the Class

- 3.4.3.02 Revisions of the plan shall be made from time to time, as needed, and in accordance with changes in the organization by the ~~General Manager~~ Chief Executive Officer subject to limitations of the approved annual budget.

3.5.4 Appointment to Positions

- 3.5.4.1 The ~~General Manager~~ Chief Executive Officer shall fill all vacancies from most qualified applicants and in accordance with applicable federal and state laws. Appointments shall be in writing and shall specify starting pay rate, position to which appointment is made, and whether regular or temporary.
- 3.5.4.2 Vacancies shall be publicized and applications accepted from all qualified persons.

- 3-5.4.3 As the ~~General Manager~~ Chief Executive Officer may determine, examinations may consist of any one or a combination of tests, including written, oral, performance, physical, medical, or psychological, evaluation of training and experience, or any forms designed to test fairly the qualifications of applicants.
- 3-5.4.4 Promotion to an unfilled position is open to any employee who meets the qualification for the higher position. There is no minimum time of employment for promotion eligibility.
- Promotion to the higher position in a linked series is open to an employee who meets the following conditions:
- a. Employment standards for higher level (including education and experience).
 - b. Highly satisfactory work at the lower level with MTDB their agency.
 - c. At least one (1) year at the "Top" step of the lower level with MTDB their agency.
- Upon promotion, employee must complete a ~~one (1) year~~ six-month probationary period before a promotion becomes permanent.
- 3-5.4.5 The employment of members of the same immediate family in a direct reporting relationship shall be avoided except under extraordinary circumstances. If such employment is in the best interest of the Board, it shall be specifically approved by the ~~General Manager~~ Chief Executive Officer.
- 3-5.4.6 Newly hired applicants shall be on probation for at least a ~~one (1) year~~ six-month period, after which time they may become regular employees if they have worked successfully, demonstrated effectiveness, and displayed the necessary ability to perform their job. During or at the end of the probationary period, an employee may be terminated by the appointing authority without cause and without the right of appeal. Notification of termination and a statement of the reasons therefore, in writing, shall be served on the probationer, and a copy filed with the Human Resources Department.
- 3-5.4.7 It is the policy of the Board to pay hiring expenses for the positions of ~~General Manager~~ the Chief Executive Officer, General Counsel, ~~Director of Finance and Administration~~, ~~Director of Planning and Operations~~, ~~Director of Engineering and Construction~~, and ~~Director of Marketing and Community Relations~~, and Chief Financial Officer, as follows:
- a. Transportation and other associated costs incurred by applicants coming to San Diego for the final job interview.
 - b. Cost of transporting employee's household furniture and goods to San Diego, plus the actual costs incurred in driving one car to San Diego, or comparable equivalent. Under exceptional circumstances, an employee can apply to the ~~General Manager~~ Chief Executive Officer for reimbursement of the cost of transporting

household furniture and goods in excess of 11,000 pounds and other actual costs of relocation.

Payment of hiring expenses for positions other than those listed above may be authorized by the ~~General Manager~~ Chief Executive Officer when, in order to fill a job vacancy, out-of-state recruitment becomes necessary.

Where necessary to recruit highly qualified management and professional employees, the ~~General Manager~~ Chief Executive Officer may grant a new employee service credits, starting leave balances, a one-time, lump sum payment, and/or temporary housing assistance.

The ~~General Manager~~ Chief Executive Officer shall report actions costing over \$25,000 to the Board.

The Director of Finance and Administration is authorized to make payments carrying out the intent of this policy upon submission of satisfactory documentation.

- ~~3.5.8 — Part Time Employment: Working less than a full time schedule while employed in a full time position will normally not be considered. However, consideration may be given under exceptional circumstances.~~

~~An employee desiring to work less than a full time schedule must apply to the General Manager Chief Executive Officer, in writing, at least four weeks prior to proposed start of modified work schedule. Request should include duration of modified schedule, daily hours, and proposed work program.~~

~~Approval shall be in writing and based solely on the needs of the organization. Approval shall not be considered permanent and may be rescinded if the needs of the organization change.~~

~~Reinstatement to full-time status shall not be guaranteed. A part-time employee may be reinstated to full-time status if the vacated position (or an equivalent position) is available at the time reinstatement is requested.~~

~~Temporary employees shall not be eligible for employee benefits.~~

~~3.6 — Attendance~~

- ~~3.6.01 — The work for all regular employees is eighty (80) hours per biweekly pay period. Temporary employees shall work such hours as directed.~~

- ~~3.6.02 — Regular attendance and punctuality are expected.~~

- ~~3.6.03 — Each employee shall be entitled to mid-morning and mid-afternoon rest periods of fifteen (15) minutes each.~~

- ~~3.6.04 — Each supervisor is responsible for scheduling nonpaid lunch periods of the employees he supervises.~~

- ~~3.6.05 — An absence of an employee from duty, not authorized by a specific leave of absence, may be cause for disciplinary action.~~

~~3.7 Compensation~~

~~3.7.01 The General Manager shall cause data to be gathered on compensation to employees of similar governmental jurisdictions and private employment within the State of California area and to prepare therefrom a range of salary rates for the various classes of employment. The salary plan shall be submitted and approved annually at the Board of Directors meeting at which the budget is adopted. The salary plan shall be prepared with the consideration to the Board's financial position, to attracting and retaining highly qualified personnel in the Board's employ, and comparable rates of pay in public and private employment within California. The "meet and confer" procedures provided by state law shall be followed, where appropriate.~~

~~3.7.02 Employees shall be paid biweekly. Pay periods shall commence on Saturday and end on Friday, two (2) weeks later.~~

~~Payday shall fall biweekly on Wednesday following the end of the pay period. In the event the normal day falls on a holiday, payday shall occur the day before the holiday.~~

~~Payroll deductions shall be made as required by law, and such other classes of deductions as approved by the General Manager or his designee.~~

~~3.7.03 The beginning or normal hiring rate shall usually be at the bottom of the salary range. Every new employee shall be paid the bottom of the salary range on employment, except that the General Manager may authorize payment above the bottom of the range of the hiring rate if he deems necessary in any particular case.~~

~~3.7.04 Eligibility for Advancement: Consideration for advancement within a salary range shall be based on performance reports (see Section 3.7.05) to be conducted periodically based on an employee's anniversary date. As a guide, evaluations shall be conducted every six (6) months for the first year of employment and annually thereafter. Advancement within a salary range will normally only be considered based on an employee's annual evaluation.~~

~~Advancement shall be made on a merit basis as provided in Section 3.7.05. Advancement can be made prior to the above anniversary date where an outstanding performance has been documented and has been approved by the General Manager.~~

~~3.7.05 Use of Performance Rating: Periodic performance ratings shall guide supervisors in assisting employees to improve their job skills and shall be the basis upon which the determination shall be made as to whether an employee's work has been fully satisfactory and shall include a recommendation to the General Manager for merit salary advance, if deemed appropriate by the employee's supervisor.~~

~~The employee's supervisor shall complete the performance rating report, discuss it with the employee, then forward it to his supervisor for comment and forward to the Human Resources Manager. At a minimum, performance reports shall be completed every six (6) months for the first year of employment and annually thereafter.~~

- ~~3.7.06 — Promotion: When an employee is promoted to a position of a different classification with a salary range higher than that for the position previously occupied, he may receive the bottom salary of the new range. If that range is equivalent to or less than his present salary, his hiring rate must be set at a rate in the new salary range, above his rate prior to promotion.~~
- ~~3.7.07 — Reclassification Upward: When a position is reclassified having a higher salary range, and the incumbent employee is appointed to the position so reclassified, the salary rate of such employee appointed to the reclassified position may be placed at the bottom salary in the higher range. In any event, the incumbent shall receive a salary in his new salary range, above his rate prior to the reclassification.~~
- ~~3.7.08 — Reclassified Downward: When a position is reclassified to a classification having a lower salary range and the incumbent employee is appointed to the position so reclassified, the salary rate of such employee may remain at the current rate. If the current rate then exceeds the maximum of the new range, the salary shall be frozen at its current level until the incumbent leaves the position or the position rate changes.~~
- ~~3.7.09 — An employee appointed to a higher paying position in an acting capacity for a period longer than thirty (30) days may receive additional compensation at the discretion of the General Manager. Relief during vacation leave shall not be considered an extended period.~~
- ~~3.7.10 — Terminal Pay: Cash payment of a sum equal to all accrued vacation or annual leave and wages shall be made to each employee upon termination at the salary rate current at the date of said termination. In the event of the death of the employee, terminal pay shall be made to his estate. For employees with five (5) years of service, sick leave shall be compensated at a rate of ten percent of the amount accrued and unused upon termination. Upon retirement, sick leave shall be compensated at a rate of 25 percent. Only employees hired before January 13, 1994, who did not convert to the annual leave plan, will be compensated for unused sick leave.~~
- ~~3.7.11 — Overtime: For purposes of the Fair Labor Standards Act, all employees are to be classified as exempt or nonexempt. This classification is made by the General Manager for each authorized position.~~

~~Employees in positions classified as nonexempt shall be paid at the rate of one and one-half (1 1/2) times their hourly rate of pay for all hours worked by request of their supervisor in excess of eighty (80) hours in a pay period.~~

~~Employees in positions classified as exempt, but not considered in management-type positions by the General Manager, shall be paid straight time pay for all hours worked by request of their supervisor in excess of eighty (80) hours in a pay period.~~

~~Employees who work a flexible 9/80 schedule will not be paid for scheduled hours worked in excess of eight (8) in a day or forty (40) in a week.~~

~~For overtime purposes, the number of hours worked shall include all authorized leaves of absence with pay. Sick leave, vacation, annual leave, and optional holiday hours will be included in the number of hours worked for overtime purposes with prior approval of the General Manager.~~

~~Overtime shall be accumulated in one-quarter (1/4) hour increments.~~

~~3.7.12 Employee Benefits: Regular employees shall be eligible for a full complement of benefits, as provided by the Board.~~

~~Regular part-time employees shall be eligible for a limited level of benefits commensurate with their employment status.~~

~~3.8 Leaves of Absence~~

~~3.8.01 Vacation Leave: Annual vacation leave is a right; the time at which vacation leave is taken is a privilege. Vacation leave shall be granted at times approved by the General Manager Chief Executive Officer.~~

~~A probationary employee shall be eligible to take vacation leave after six (6) months' service. An employee who works less than six months shall not be entitled to a vacation. Other employees are not eligible for vacation leave.~~

~~Accrual of Vacation Allowance: Vacation leave allowance shall accrue from the employee's anniversary date, as follows:~~

~~a. 0.03847 hours for each hour of regular service during each of the first three (3) years. (Rate = ten (10) working days per year.)~~

~~b. 0.05770 hours for each hour of regular service during each of the fourth through the tenth years. (Rate = fifteen (15) working days per year.)~~

~~c. 0.061539 hours for each hour of regular service during the eleventh year.
(Rate = sixteen (16) working days per year.)~~

~~d. 0.065385 hours for each hour of regular service during the twelfth year.
(Rate = seventeen (17) working days per year.)~~

e. ~~0.069231 hours for each hour of regular service during the thirteenth year.~~

~~(Rate = eighteen (18) working days per year.)~~

f. ~~0.073077 hours for each hour of regular service during the fourteenth year.~~

~~(Rate = nineteen (19) working days per year.)~~

g. ~~0.07693 hours for each hour of regular service during the fifteenth year.~~

~~(Rate = twenty (20) working days per year.)~~

~~Employees hired after January 13, 1994 will accrue annual leave in lieu of vacation leave and sick leave.~~

~~Limitation of Vacation Accrual: Vacation leave allowance may be accrued to a maximum of forty (40) days at the end of any calendar year. Regular and probationary employees shall be paid for accrued and unused Vacation leave upon termination or retirement.~~

3.8.02 ~~Sick Leave: Sick leave with pay, or annual leave used for sick purposes, shall be allowed to all regular and probationary employees for:~~

a. ~~Personal illness or physical incapacity, resulting from causes beyond the employee's control.~~

b. ~~Enforced quarantine of the employee in accordance with community health regulations.~~

c. ~~To meet dental and medical appointments or other sickness prevention measures.~~

d. ~~Illness or physical incapacity in the employee's immediate family, that requires his personal attention, and which results from causes beyond his control, up to a maximum of three (3) days and subject to approval of the General Manager.~~

~~Pay for sick leave for the foregoing reasons shall be to the extent that the compensation is not payable under the terms of the Workmen's Compensation Insurance Act of the State of California or by any insurance coverage provided to the employee by the Board at its cost.~~

~~Sick leave accrues at the rate of five percent of nonovertime hours worked per pay period (rate = thirteen (13) days per year) for regular and probationary employees, with accrual limited to a maximum of 1,040 hours (26) weeks. Regular employees with five (5) years of service shall be paid for ten percent of accrued and unused sick leave upon termination or 25 percent upon retirement.~~

~~At retirement, any unused sick leave may be converted to additional service credit at the rate of 250 days of sick leave for one year of service credit. For retirement purposes, the accrual of sick leave is unlimited.~~

~~Sick leave, or annual leave used for sick purposes, shall be taken and recorded in increments of not less than one (1) hour.~~

~~Sick leave, or annual leave used for sick purposes, shall be granted only by the General Manager. In order to be paid for sick leave, an employee must notify his supervisor no later than 9:30 a.m. of the day sick leave is taken unless unable to do so. The General Manager may require a doctor's certificate or other proof of illness for any sick leave taken, or annual leave used for sick purposes.~~

~~The General Manager may allow a regular employee up to three (3) working days of leave with pay due to the death of a member of the immediate family, which shall be charged against sick leave.~~

~~3.8.03 Annual Leave: Regular and probationary employees hired after January 13, 1994, shall accrue annual leave in lieu of vacation and sick leave. Employees hired prior to January 13, 1994, are eligible to participate in the annual leave program at their option, in lieu of receiving vacation and sick leave.~~

~~Accrual of Annual Leave: Annual leave allowance shall accrue at a rate equal to the vacation rates indicated above plus eight (8) days per year. No sick leave will be accrued. Annual leave shall be used for vacation or sick purposes with the same restrictions and limitations noted in paragraphs 3.8.01 and 3.8.02.~~

~~Limitation of Annual Leave Accrual: Annual leave allowance may be accrued to a maximum of 580 hours (320 if hired after January 13, 1994). Regular and probationary employees shall be paid for all accrued and unused leave upon termination or retirement.~~

~~Conversion of Annual Leave to Cash: Employees may convert up to eighty (80) hours of annual leave to cash on an annual fiscal year basis. To be eligible, an employee must maintain a minimum balance of 160 hours of annual leave (or sick leave), and during the previous twelve (12) months, an employee must have used an amount of annual leave equal to the conversion requested.~~

~~3.8.04 Holiday: Employees shall be entitled to be absent from duty on a holiday without loss of compensation. When a holiday falls on Sunday, the following Monday shall be observed. When a holiday falls on Saturday, the prior Friday shall be observed.~~

~~The Board has declared eleven (11) official holidays with pay for regular and probationary employees, as follows:~~

- ~~New Year's Day~~
- ~~— Martin Luther King's Birthday~~
- ~~— Presidents' Day~~
- ~~— Cesar Chavez Day~~
- ~~— Memorial Day~~
- ~~— Independence Day~~
- ~~— Labor Day~~

- ~~— Veterans Day~~
- ~~— Thanksgiving Day~~
- ~~— Day after Thanksgiving~~
- ~~— Christmas Day~~

~~Plus two (2) days to be used at the employee's discretion, subject to approval of the employee's supervisor.~~

~~Special holidays proclaimed by the President of the United States or the Governor of the State of California may be granted upon approval of the General Manager.~~

~~3.8.05 — Jury Duty and Witness Testimony: Any regular employee of the Board, when duly called by public authority to serve on any jury or to appear in court as a witness and when unable to be excused therefrom, shall be entitled to absent themselves from their duties with the Board during the period of such service or while necessarily being present in court as a result of such a call. Any employee serving as a juror or witness who is released from service prior to the end of the regularly scheduled work day, shall be required to return to their normal work duties with the Board. Under these circumstances, the employee shall be paid the difference between his full salary and any payment received by the employee, except travel pay, for such duty. Such payment is conditional upon the employee turning over such jury duty or witness payment to the Board, and shall be limited to a maximum jury duty service of three months.~~

~~3.8.06 — Military Leave: Military leave shall be granted to an employee as required under state or federal law.~~

~~3.8.07 — Administrative Leave: The General Manager has the authority to grant an employee up to four (4) hours per day leave with pay to attend to important personal affairs, to attend to sick members of their family, to vote in city, state or national elections, to take promotional examinations, or for other urgent reasons.~~

~~Administrative leave should be granted with discretion, and the General Manager should ensure that an employee is not abusing it or requesting it excessively.~~

~~3.8.08 — Leave Without Pay: Leave without pay for an employee is a matter of administrative discretion. No specific limits are placed on leave without pay, however, excessive use places an undue encumbrance on the employee's position and other employees of the Board. Requests for leave without pay for ten (10) working days or less may be approved by the employee's supervisor and department Director.~~

~~Examples of reasons for leave without pay are recovery from illness when sick leave and vacation leave have been expended, to attend a sick member of the family (if four (4) hours or less, employee may be granted administrative leave), or to attend training or other meetings for employee's own benefit.~~

~~The General Manager may grant a regular employee a leave of absence without pay in excess of ten (10) working days if either or both of the following are found:~~

- ~~a. Employee's occupation during the leave of absence will improve his proficiency, and his return is desirable in the Board's interest.~~
- ~~b. Employee's circumstances are such that he must resign if leave is not granted, and his performance is such that his return is desired and the inconvenience of his absence is thereby justified.~~

~~No such extended leave shall be granted except upon written request of the employee; the approval shall be in writing. A temporary employee may be used to fill the position while the regular employee is on leave of absence without pay.~~

- ~~3.8.09 Family Leave: An employee may be eligible to take family leave for the following purposes: to care for a newly born child (within 12 months of the birth); to care for a newly adopted child or a child placed in foster care with the employee (within 12 months of the placement); to care for a spouse, child, or parent of the employee with a serious health condition; or because of a serious health condition which causes the employee to be unable to perform his or her duties. The employee must have worked 1,250 hours in the 12 months prior to leave.~~

~~The employee may use annual leave, sick leave, vacation leave, or take a leave of absence without pay during the period of time they are unable to work. While on leave, the Board will continue the employee's group health plan coverage.~~

~~Duration of family leave is limited to twelve (12) work weeks in any consecutive 12-month period.~~

- ~~3.8.10 Catastrophic Leave Program. The catastrophic leave program is a process by which one or more employees may donate sick, vacation, or annual leave hours for use by another employee. In order to receive leave hours from another employee, the employee requesting catastrophic leave must be absent from work due to injury or prolonged personal illness and have exhausted all paid leave, including sick, vacation, and annual leave. Employees choosing to transfer leave hours to another employee must transfer a minimum of eight (8) hours and in whole hour increments thereafter. Transferred leave hours are irrevocable. Total leave hours received by an employee shall not exceed 1,040 hours except under extraordinary circumstances. Hours in excess of 1,040 may be considered on an individual case basis, and are subject to approval by the General Manager.~~

- ~~3.8.11 Bereavement Leave: Employees may take three days (In State) or five days (Out of State) of bereavement leave in the event of a death in the immediate family. Immediate family as defined in the MTDB~~

~~Administrative Code is limited to husband, wife, children, sister, brother, mother, father, father-in-law and mother-in-law, or any of the aforementioned step or adoptive relatives.~~

~~3.8.12 — Pregnancy-Related Leave: Employees who are disabled by pregnancy may take an unpaid leave of absence for up to four months for permissible reasons, such as prenatal care, severe morning sickness, doctor-ordered bed rest during the pregnancy, childbirth, and recovery from childbirth. The General Manager may require a doctor's certificate or other proof of illness for any pregnancy-related leave time.~~

~~3.8.13 — Domestic Violence Leave: Employees who are victims of domestic violence may take an unpaid leave of absence for the purpose of appearing in court to obtain legal relief. An employer may not discharge, discriminate, or retaliate against an employee who is a victim of domestic violence and who takes time off to seek medical attention, to obtain services from a domestic violence program, to obtain psychological counseling, or to participate in safety planning. In the event of an unscheduled absence, an employer may not take action against the employee if the employee, within a reasonable time after the absence, provides certification in the form of a police report, court order, or documentation from a medical professional, domestic violence advocate, health care provider, or counselor that the employee was a victim of domestic violence.~~

~~3.8.14 — Volunteer Fire Fighter Leave: The General Manager may grant an employee a leave of absence without pay to perform emergency duty as a volunteer fire fighter. Discrimination against a volunteer fire fighter is prohibited.~~

~~3.8.15 — Voting Time: An employee may take up to 2 hours of paid time off to vote if the General Manager and/or the employee's supervisor determines that the employee's work hours would otherwise deprive him of the opportunity to vote in a statewide election.~~

~~3.8.16 — Office Closure: The MTDB offices shall annually be closed the week between the Christmas holiday and the New Year's holiday. During the week the office is closed, employees may use annual, vacation, or sick leave, or take time off without pay. Employees are also authorized to work full-time or part-time during the office closure.~~

~~3.9 — Fringe Benefits Program~~

~~3.9.01 — The Board shall provide retirement coverage through the California State Public Employees Retirement System (PERS). Membership in the retirement system will be in accordance with the rules of that system.~~

~~3.9.02 — The Board shall provide Worker's Compensation Insurance, as required by the Worker's Compensation Act of the State of California.~~

~~3.9.03 — The Board shall provide group health, dental, and vision insurance coverage to eligible employees through a medical plan contracted for by the Board.~~

~~The Board shall contribute toward the monthly premium costs for each participating employee and dependent(s), in an amount to be determined by the Board annually.~~

~~3.9.04 — The General Manager may, subject to budgetary limitations, reimburse tuition and required fees to employees who successfully complete courses of study which increase their skills, knowledge, and competency for performing their job assignment.~~

~~The General Manager may reimburse the employee for textbooks, at the original cost to the employee, if the books would be beneficial to the Board's library.~~

~~Employees shall obtain written approval of the General Manager prior to enrollment. Reimbursement shall be made upon successful completion of the course. The General Manager may require that reimbursement be conditioned on a continuation of employment with the Board for an appropriate period of time following completion of the program for which the employee is being reimbursed. In the event that the employee voluntarily terminates prior to that time, reimbursement by the employee of the costs paid by the Board shall be required.~~

~~3.9.05 — Individual life, short term, and long term disability insurance shall be available to each regular employee through a group plan contracted by the Board.~~

~~3.10 — Termination~~

~~3.10.01 — An employee wishing to resign in good standing shall notify the General Manager, in writing, at least two weeks prior to his final day of work.~~

~~3.10.02 — If it becomes necessary through lack of work, lack of funds, or for other reasons to reduce the number of employees, regular employees so affected shall be notified, in writing, at least sixty (60) days prior to the date of termination.~~

~~3.10.03 — When an employee who meets the qualifications of the retirement plan elects to retire, he shall notify the General Manager, in writing, at least one month prior to the effective date of his retirement.~~

~~3.10.04 — Any employee may be dismissed at any time for causes such as those defined in Sections 3.2.06 and 3.2.07. Any employee may appeal such dismissal, in writing, to the General Manager Chief Executive Officer within ten (10) days from receiving written notice of said dismissal. Final action by the General Manager upon the appeal shall be taken within five (5) working days from date of appeal.~~

~~Any appeal shall be through written correspondence only; no evidentiary hearing is permitted.~~

4. METHODS, PROCEDURES, AND SYSTEMS OF OPERATION AND MANAGEMENT

4.1 General Statement

It is the policy of the Board that its affairs should be handled in an efficient and businesslike manner. To accomplish this, the members of the Board of Directors and the staff, acting through the ~~General Manager~~ Chief Executive Officer, may from time to time submit policy statements to the Board of Directors for consideration and possible adoption. These policy statements shall constitute the Board's compliance with this section.

~~5. MILEAGE REIMBURSEMENT~~

~~5.1 Policy~~

~~It shall be the policy of the San Diego Metropolitan Transit Development Board to reimburse employees for authorized use of their personal vehicles on official Board business at a rate equal to the established Internal Revenue Service "business" mileage rate. (Resolution No. 80-88)~~

~~5.2 Conditions~~

~~The following conditions shall be satisfied prior to any authorization for use of a personal vehicle on official Board business:~~

~~5.2.1 The employee shall certify that he or she possesses a valid California driver's license for the class or classes of vehicle(s) to be driven.~~

~~5.2.2 The employee shall annually certify that he or she is presently covered by and will continue to maintain an insurance policy for at least the following limits:~~

~~\$100,000 per person, \$300,000 per occurrence for public liability, and \$50,000 for property damage.~~

~~The above conditions may be satisfied through an annual certificate signed by each employee, or in some other suitable manner prescribed by the Director of Finance and Administration.~~

~~6. UNEMPLOYMENT INSURANCE COVERAGE FOR MTDB EMPLOYEES~~

~~6.1 General Statement~~

~~The Unemployment Compensation Act amendments enacted by Congress have extended mandatory unemployment compensation coverage to local governments beginning January 1, 1978.~~

~~State Assembly Bill 644 was passed by the State Legislature on January 19, 1978 to provide for such coverage. This Bill requires MTDB to provide said coverage to its employees.~~

~~The General Manager is authorized to provide Unemployment Insurance coverage to MTDB employees in accordance with the requirements of the state.~~

75. FINANCE

7.15.1 Appointment

The Board appoints the Chief Financial Officer to act as its Treasurer.

7.15.2 Authorities

The check signing and wire transfer authority is governed by MTDBS Policy No. 4241, which establishes a primary group and a secondary group as follows. Authorized signatories for disbursements are divided into two groups:

Primary Signatories

One signature required for all checks under \$5,000

1. ~~General Manager~~ Chief Executive Officer
2. ~~Deputy CEO~~ Chief Financial Officer
3. Controller
4. General Counsel

Secondary Signatories

~~One~~ Two signatures required for all checks greater than \$5,000

1. Chief Financial Officer
2. ~~Director of Human Resources~~ Chief Executive Officer
3. Controller
4. General Counsel

The ~~General Manager~~ Chief Executive Officer is authorized to make commitments of up to \$100,000 without prior MTD Board approval with local (San Diego County) firms, and up to \$25,000 otherwise. He will report actions exceeding \$1,000 at the next succeeding Board meeting.

The ~~Director of Finance and Administration~~ Chief Financial Officer is authorized to approve expenditures up to a maximum of \$5,000 for the purchase of materials, services, supplies and equipment within the confines of the authorized Budget.

Expenditures in excess of \$5,000 require the ~~General Manager~~ Chief Executive Officer approval.

It is the policy of the Board that investment of available funds shall be made in such form, amounts, and scheduled maturities, and that monies shall be available on required dates to meet the Board's financial obligations in a timely manner.

The investment policy shall be carried out at the discretion of the ~~Director of Finance and Administration~~ Chief Financial Officer with a quarterly report made to the Board.

The Board shall designate the primary depository for Board monies.

The security requirement for public funds is waived to the extent allowed by the Government Code.

The Treasurer of the Board (~~Director of Finance and Administration~~ Chief Financial Officer) is authorized to enter into such agreements as are necessary to carry out the Board's financial policies.

The ~~General Manager~~ Chief Executive Officer is authorized to establish a Petty Cash Fund commensurate with the activity and needs of the Board, in an amount not to exceed \$250.

6. APPENDIX

6.1 CODE OF ETHICS AND CONDUCT

6.1.1 PURPOSE

6.1.1.1 The purpose of this Code is to:

- a. Summarize in a single document a broad code of ethics and conduct which will apply equally to all Board members and employees, regardless of individual job duties and responsibilities.
- b. Emphasize that each Board member and employee in our municipal government occupies a position of public trust which demands the highest moral and ethical standard of conduct.

6.1.1.2 This Code shall be supplemental and in addition to the Conflict of Interest Code of the Board and is not intended to supersede such Code or any provisions thereof.

6.2 POLICY - PROHIBITION OF CERTAIN ENTERPRISES OR ACTIVITIES AND DISCLOSURE OF CONFLICTING INTEREST

6.2.1 No Board member or employee shall engage in any business or transaction or shall have a financial or other personal interest, direct, or indirect, which is incompatible with the proper discharge of official duties or would tend to impair independence or judgment or action in the performance of such duties.

6.2.2 No Board member or employee shall accept from anyone, including employees, customers, vendors, or anyone else who does business with MTS or its affiliates, any gifts, favors, loans, remuneration, or entertainment that is intended or which might be reasonably be construed as an attempt to influence a personnel action, procurement, or other business transaction. Excluded from this general prohibition are *de minimis* gifts (valued at \$50 or less) that are consistent with customary business practices and gifts or favors that have the express prior approval of the Chief Executive Officer. Violation of this policy shall result in disciplinary action up to and including termination.

6.2.3 No Board member or employee shall engage in any enterprise or activity which shall result in any of the following:

- a. Using the prestige or influence of the Board office or employment for private gain or advantage of the member, employee, or another person.
- b. Using time, facilities, equipment, or supplies of the Board for the private gain or advantage of the member, employee, or another person.
- c. Using official information not available to the general public for private gain or advantage of the member, employee, or another person.

- d. Receiving or accepting money or other consideration from anyone other than the Board for the performance of acts done in the regular course of employment or duty.
- e. Receiving or accepting, directly or indirectly, any gift or favor from any one doing business with the Board under circumstances from which it could reasonably be inferred that such was intended to influence such person in such person's employment or duties, or as a reward for official action.
- e. Soliciting any gift or favor in such person's official capacity, either directly or indirectly, when such solicitation might reasonably be inferred as to have a potential effect on such person's duties or decision, or when the effect on such person's duties or decision, or when the individual's position as a Board member or employee would in any way influence the decision of the person being solicited.
- f. Engaging in or accepting private employment or rendering services for private interest, direct or indirect, which may conflict with such person's responsibility or duty, or which, because of that person's position, may influence a decision to the benefit of the organization in which such person has an interest.

6.3 POLICY - TAKING POSITIONS ON ISSUES

- 6.3.1 No Board member or employee shall represent a position on an issue to be the Board's unless the Board has formally adopted such position at a public meeting.

Source: Resolution No. 76-55, Document No. 10.

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04/01/03

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

31

ORDER REQUEST RECEIVED

1

****PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT) TO THE CLERK OF THE BOARD PRIOR TO DISCUSSION OF YOUR ITEM****

@ 8:12

1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Board (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Board authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.

Date 5/12/05Name (PLEASE PRINT) STEVE ALCOVEAddress 10393 S.D. MISSION RDTelephone 563-1309

Organization Represented (if any) _____

Subject of your remarks: Thank you

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT



OPPOSITION



2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At Public Hearings of the Board, persons wishing to speak shall be permitted to address the Board on any issue relevant to the subject of the Hearing.

3. DISCUSSION OF AGENDA ITEMS

The Chairman may permit any member of the public to address the Board on any issue relevant to a particular agenda item.

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each, under the Public Comment Agenda Item. Additional speakers will be heard at the end of the Board's Agenda.

****REMEMBER: Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.****



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Agenda

Item No. 61

Chief Executive Officer's Report

ADM 121.7 (PC 30100)

May 12, 2005

Minor Contract Actions

- Clean Energy for a mid-year budget adjustment for CNG fuel for the Route 990 – Inland Breeze.
- The Wiggans Group for right-of-way services for the Fairfield Project/Grossmont Trolley Station.
- The Wiggans Group for right-of-way services for the Pacifica Project (Pacific and Ash Street).
- The Wiggans Group for right-of-way services for the BOSA Downtown Electra Condominium Project at Kettner and Broadway.
- The Wiggans Group for miscellaneous property management services.
- Resource Strategies, Inc. for software related to the Comprehensive Operational Analysis.
- Berryman and Henigar for bid evaluations related to the San Ysidro Intermodal Transportation Center (SYITC).
- Parsons Brinckerhoff for construction management services for the SYITC project.
- Berryman and Henigar for general engineering services for the Mission Valley East (MVE) Light Rail Transit (LRT) Extension.
- West Coast General Corp. for construction services for the 12th & Market Station Reconfiguration project.
- Orion Construction Corp./Balboa Construction, Inc. for construction services for the MVE LRT Extension – SDSU Segment Utilities.
- SDSU Foundation for a lease extension on property related to the MVE LRT Extension.



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

- Clark Construction Group, Incorporated for construction services for the SDSU Tunnel & Underground Station portion of the MVE LRT Extension.
- Modern Continental Construction Co. for construction services for the MVE LRT Extension.
- Balfour Beatty/Ortiz Enterprises for construction services for the La Mesa segment of the MVE LRT Extension.
- Master Productions, Inc. for a photographic image of the MVE LRT Extension.
- SDSU Foundation for the lease of property related to the MVE LRT Extension.
- Reid and Clark Silkscreen for maps and trolley station signs for the MVE LRT Extension.

Contract Matters

There were no Contract Matters.

[gail.williams/agenda item 61](#)